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Tory left to launch own manifesto

Tough riposte to Portillo view

COLIN BROWN
Chief Political Correspondent

"One Nation" Tories angered at the lurch to the right of the Tory Party are planning to launch their own manifesto, keeping the option of Britain joining a single European currency.

The group, which included Emma Nicholson before her defection, has decided it has stayed silent for too long and was infuriated by Michael Portillo's attack on the former Tory MP by saying she was "right" to leave the party, if she believed in a federal Europe.

Some members of the 50-strong group yesterday angrily told Government whips, who are checking on the threat of more defections from the party, that Mr Portillo's remarks amounted to an invitation by other left-of-centre Tory MPs to desert the Government.

The counter-attack by the Tory left threatened to plunge John Major into fresh trouble over Europe, as the Ulster Unionists yesterday warned they could vote against the Government on European issues, such as fishing quotas.

The Government Chief Whip, Alastair Goodlad, has been ordered by the Prime Minister to tighten discipline, and improve his early warning system, after being caught out by the defections of Ms Nicholson, and Alan Howarth to Labour.

The Tory high command was dismayed by the defence secretary's intervention, which provoked a fresh salvo by Ms Nicholson. "People like Michael Portillo and that clique he heads would have been on

the outskirts of the old Conservative Party," she said on BBC. "It is an utter disgrace that somebody so nationalistic, so lacking in historic understanding... holds that job." Members of the One Nation group said that if she had called for Mr Portillo's resignation from the Cabinet, instead of deserting, they would have supported her.



Peter Temple-Morris: Wrote foreword to pamphlet

The Tory MPs, known as the MacLeod group, are planning to publish a pamphlet within the next month, covering the economy, Europe, social policy and the welfare state. It was being kept under wraps for a launch at Westminster to have maximum impact.

"It will be a political bombshell," said one senior member of the group. "It will be a direct riposte to what Portillo is saying about the Tory Party being an anti-European party."

"For quite a long time, we have allowed the right wing to go unchallenged because we thought it would be bad for the party to speak out. That benign

silence which we adopted for two years has failed to work. We decided that it would be a mistake to continue like that."

It will oppose a Tory election manifesto commitment that Britain will not join a single currency within the lifetime of the next Parliament, which has split the Cabinet. Kenneth Clarke, the Chancellor, and Michael Heseltine, the deputy Prime Minister have persuaded Mr Major not to endorse it, but right wingers led by Mr Portillo and Michael Howard, the Home Secretary, are still pressing for it to be included in the manifesto.

The pamphlet, the foreword to which is written by Peter Temple-Morris, who is firmly on the left of the party, also will warn John Major against trying to unite the Tories by adopting a referendum on a single currency. It will argue that a referendum on Europe would split the party.

Ms Nicholson yesterday said that if more Tory MPs defected and Mr Major lost his overall majority, he should call a general election, and that she would be "perfectly comfortable" to force an election.

Labour promised to force a series of votes at Westminster aimed at embarrassing the Government and to launch a ferocious campaign out in the country in advance of the May local elections and the outstanding by-elections.

The defection of Ms Nicholson and the loss of the Staffordshire South East by-election, following the death of Sir David Lightbown, the former whip, could cut Mr Major's majority in the Commons to three.

Water everywhere, but only a drop to drink



High and dry: People in Ashington, Northumbria, yesterday collecting water from a portable tank (background)

Photograph: Paul Vicente/Reuters

JOJO MOYES

MPs demanded an inquiry into why hundreds of thousands of households were still without water yesterday, as the Great Thaw turned into the Great Leak.

Water companies were yesterday urging householders to "go dirty for a couple of days" as supplies in Scotland, Wales and across the north of England remained cut after a flood of burst pipes and mains.

The water regulator Ofwat yesterday asked all water companies to provide assessments of the problem. It is not yet clear how many of the shortages are the responsibility of the companies as opposed to the customers.

But as customers are entitled to claim £10 per day for companies' failure to provide water, the compensation bill could run into millions.

Sunderland's Labour MPs Chris Mullin and Bill Etherington have written to John Gummer, the Secretary of State for the Environment, urging him to investigate what provision water companies had made for such emergencies and whether resources had been affected by privatisation. "The north of England is used to severe winters, but it has never before been necessary to cut off our water on anything like the scale now contemplated," Mr Mullin said.

The public services union Unison estimated that since privatisation in the region the number of employees working for water companies may have halved. But a spokesman for the Water Services Association, which represents the regional water companies in England and Wales, said the burst pipes had been caused by exceptionally low temperatures followed by a relatively quick thaw which caused a lot of ground movement. "The companies have geared themselves up for this contingency," he said. "They have had teams in place throughout the Christmas period to mitigate any possible problems for customers."

Scotland was among the hardest hit areas with hundreds of thousands of homes hit by burst pipes or interrupted supplies. In Strathclyde alone, up to half a million homes were affected. A spokesman for the council said the situation had stopped deteriorating, "but we are still running very fast just to stand still."

Lothian water director Gus Ferguson said the main problem at reservoirs was not water levels, but treatment plants which were struggling to replenish reservoirs as fast as they were depleting. Like other authorities, Lothian appealed to the public to minimise demand. "Our message is, go dirty for a couple of days," he said.

In Northumbria the worst-hit areas were Tyneside, Wearside,

Ashington and Newbiggin, with about 150,000 customers cut off. A spokesman for Northumbrian Water said that some areas had been without water for days and that other areas were at risk of losing their supplies.

North East Water estimated it was losing 18 million gallons a day in the Newcastle region alone.

Drought-hit Yorkshire Water was battling to restore supplies to 6,000 homes in Leeds, while in North Wales, hundreds of homes were still without supplies because of widespread damage to water mains. Welsh Water said levels of some reservoirs were also continuing to fall because of leaks in the system.

Leading article, page 12

Scargill lures brothers to join his new party

JAMES CUSICK

Two leading left-wing QCs have drawn up a constitution for Arthur Scargill's new political party with the aim of drawing members from the Labour Party, but which will also exclude many of the miners' leader's supporters on the hard left.

The nine-page constitution document obtained by the Independent, the new Socialist Labour Party (SLP) will demand that if its members "join or support" any other political organisation then "they shall be ineligible for affiliation to the Party".

The clause in the constitution, prepared by Michael Mansfield and John Hendy, will anger left-wing activists in the Labour Party and other organisations, who hoped Mr Scargill would plan a broad church for his new party.

Launch of the SLP in May, will automatically lead to the expulsion of Mr Scargill and others involved in the project, from the Labour Party. However, one Labour member involved in the project said: "We don't believe Labour will wait till May, we'll be kicked out before then."

The new party aims to attract hard-left socialists angered by Labour's shift to the centre under Tony Blair's leadership. Although Mr Scargill initially claimed he was "not planning a breakaway party, but presenting a debate", the leaked constitution boldly proclaims its aim and objective "to organise

and maintain a political party". The constitution details membership rules, affiliation fees, bi-annual "government by Party Congress" and the intention to contest local government, European and parliamentary elections. Labour's abandoned commitment to nationalisation re-appears in the SLP constitution under "clause IV".

"To put up an SLP candidate at a general election in every constituency would cost upwards of £1m, and Labour sources are dismissive that such a sum could be raised.

The constitution describes a system of local and regional parties. However, all party affairs "shall be subject to the control of the Executive Committee at national level". It also requires

that new members must be British or Irish citizens.

Scottish Militant Labour, the breakaway party which has beaten Labour into second place in some local elections, had hoped they "could work with the new party. But Alan McCormack, editor of Scottish Militant, said the constitution would be "a sticking point".

Unions shift to left, page 5



Arthur Scargill: Party rules may shut out hard left

Savoy at risk in Forte bid battle

Forte, the hotels company battling against a hostile £3.2bn takeover bid from Granada, yesterday pledged to redistribute all of its 68 per cent, £200m shareholding in the Savoy group, making it a takeover target.

Leisure analysts said that the distribution among Forte's own shareholders would almost put the Savoy "in play". The reclusive Barclay brothers, who recently splashed out £75m to buy the Ritz hotel in London, are tipped as likely buyers of the Savoy group.

Granada has also pledged to sell Forte's shareholding in the Savoy should it win the takeover fight. It is understood that "strong interest" has been shown in the shares by at least two possible buyers.

The share distribution formed part of a spirited and robust defence document published by Forte yesterday. The main plank of Forte's defence is a promise to increase this year's dividends by 21 per cent to 8.5p, and a pledge to increase payouts by 20 per cent in each of the next three years.

Analysts were divided over whether Forte had done enough to survive the assault from Granada, the ITV television and electronic rentals company. Some analysts said Granada would have to raise its bid by around 15 per cent to 380p a share to win.

Forte's shares closed 12.5p higher at 343p on the stock market yesterday.

Forte's defence, page 14
Comment, page 15.

IN BRIEF

Mother missing

A mother of two is still missing after vanishing during a family birthday celebration. Page 5

Rich pickings

This week's £40m National Lottery jackpot could attract an extra £26m in ticket sales. Page 3

Labour looks to the left

Labour faces a shift to the left as the public-service union Unison prepares to become its biggest backer. Page 5

Serbs 'seized Bosnians'

Bosnians are said to have been held by Serb police despite Nato's attempt to protect the movement of civilians. Page 7

Nine out of 10 rail passengers overcharged

PETER VICTOR

Train companies were accused yesterday of overcharging nine out of 10 rail passengers. A survey by Which? magazine, published by the Consumers' Association, found that passengers were not being given correct information about the cheapest fares available.

Which? said it had made more than 250 inquiries or purchases at 28 stations or inquiry points around the country and compared the responses with what should have been the correct answer. It said that in late August and early September it

tested train companies' willingness to meet their obligation to give information about the cheapest ticket on a route even if it was for a service run by a rival and even if the journey time was longer.

Which? tested five routes - London-Bristol, London to Carmarthen and Swansea, London-Exeter, London-Bath and London-Birmingham. While the cheapest fare on the London-Bath route was South Wales and West's at £22, InterCity West Coast ticket clerks in London said £53 was the cheapest. Five days later, these clerks said the fare was £45.

In total, the Which? team was quoted or charged fares which came to £13,013 whereas if "unbiased" sales advice had been followed the figure would have been £7,591: the average overcharge was £24 and the highest was £70.20; in some cases association investigators were sold invalid tickets.

The new-look British Rail failed our test miserably," said Which? "Of the 57 tickets we actually bought, 54 were more expensive than the correct fare. In many cases, the overpriced fares given were more than double the cheapest fare which is listed clearly in the National

Fares Manual used by train staff - the same manual we used to identify the cheapest fares for available services."

The association is calling on Sir George Young, the Transport Secretary, to halt the rail sell-off until "an urgent review" of ticketing is conducted.

Brian Wilson, Labour's transport spokesman, said: "I fully support the Consumers' Association's call for franchising to be suspended in the light of this astonishing indictment. We have warned from the outset that individual operators would have no interest in maintaining the benefits which flow from

having a national rail network."

British Railways Board, dismissing the report as "misleading" and not representative of the experience of the majority of passengers, said: "It was taken four months ago and concentrates on a handful of routes which have alternative travel options which are not typical of the system as a whole."



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news

Killings a threat to peace – Mayhew

COLIN BROWN

The peace process was being threatened by the wave of killings of alleged drugs dealers by terrorists, Sir Patrick Mayhew, the Secretary of State for Northern Ireland, warned yesterday.

A small-time criminal shot dead outside his girlfriend's home was the seventh victim of Direct Action Against Drugs, a shadowy group dedicated to purging drugs from republican areas, which Unionists and police believe is a cover for the

IRA. The killing of Ian Lyons, 31, who was blasted with a shotgun in Lurgan, Co. Armagh, also alarmed democratic nationalist party leaders, who are likely to raise the issue in the Commons next Tuesday when MPs debate the renewal of the anti-terrorist laws.

"I believe there are those within the IRA and other paramilitary organisations who are trying to break (the) peace. The way in which they are doing it is this awful use of violence – public executions – to impose their will on society. They must

not be allowed to do that," said Seamus Mallon, the deputy leader of the SDLP.

Cardinal Cahal Daly, leader of Ireland's Catholics, said the peace process was being threatened. Sir Patrick said the killings were not compatible with Sinn Féin's commitment to democratic methods. "It casts very great doubt on whether Sinn Féin, who are inextricably linked to the IRA, are themselves committed to peaceful methods."

The killings are likely to be raised with the international disarmament commission headed

by US Senator George Mitchell, which is due to report by mid-January on the prospects for persuading the IRA to abandon some of its weapons.

Ken Maginnis, the Ulster Unionists' security spokesman, said the IRA may attempt to shoot a loyalist paramilitary involved in drug dealing to try to provoke a revenge attack. The spread of attacks from Belfast, where six men have been killed, to Mid-Ulster was significant, he said. "They are conditioning the public for an expansion in their activities."

David Trimble, the Ulster Unionist leader, said: "I think those elements who have been assuring us over the past 16 months that there is now a permanent ceasefire had better do something to restore their own reputations."

But Mr Mallon also said the killings undermined the need for reform of the Royal Ulster Constabulary to regain the confidence of the nationalist community in the police. Some Republican areas display signs saying "no entry" to the RUC.

"I think there is a need for fundamental changes. The RUC has never been able to command the support of the entire nationalist community in the way one would want in a normal society," said Mr Mallon, the MP for Newry and South Armagh.

Sinn Féin's chairman, Michel McLoughlin, insisted there was no evidence to link the killings with the IRA and sought to blame the RUC, claiming there was an absence of acceptable policing of the drugs trade.

Mr Lyons, a father of one, was with his girlfriend, Sheena McAlinden, 19, when he was

shot as they got into a car outside her home last night. A gunman opened fire with a double-barrelled shotgun and the victim died in hospital.

Police chiefs believe double-barrel shotguns are being used to make it difficult for ballistic experts to trace the weapons. Det Supt Kevin Sheehy, head of the RUC drugs squad, said: "Every police officer and every citizen in Northern Ireland knows that Direct Action Against Drugs is an organisation which does not exist independently of the IRA."

IN BRIEF

Man charged with fourth murder

A North Wales cinema proprietor accused of murdering three men last month was further charged yesterday with killing a fourth man in September.

Peter Moore – who operates the Focus group of cinemas in Holyhead, Bagillt, Denbigh and Blaenau Ffestiniog – was charged with murdering Henry Roberts, 56, in Caerellio, Anglesey, between 22 and 25 September. Mr Moore, 49, of Kimmell Bay, is also accused of killing Edward Carthy, 28, of Birkenhead, Keith Randles, 49, of Chester, and Tony Davies, 40, of Lysfaen. Colwyn Bay magistrates remanded him in custody.

Rail crossing death

A woman died and her son was hurt when a train crashed into their car on a rail crossing in Eccles, Greater Manchester. Jean Moore, 62, from Audenshaw, and her son Michael, 26, were hit by a Rochdale to Liverpool "sprinter" train as they tried to cross the tracks in an area of isolated farmland. An investigation is under way.

300,000 homes lost

A total of 300,000 homes have been reposessed since John Major became Prime Minister in November 1990, Labour claimed yesterday, two-thirds of them since he declared in December 1991 that the problem had "stopped". Labour said it was preparing a new package of rights for home owners aimed at cutting reposessions.

Fraud couple jailed

A council official and her husband who pocketed £109,000 in a housing benefits fraud were each jailed for two and a half years at the Old Bailey, Sheena and Shakil Khan, both 31, from Ilford, east London, invented a series of bogus claimants and landlords to defraud Newham and Waltham Forest councils.

Burning desire

Two hundred and fifty men have applied for three vacancies at Tower Colliery in Mid Glamorgan and all undertook to put up £8,000 to become shareholders in the workers' co-operative which took over the pit a year ago. Tyrone O'Sullivan, personnel director and former NUM lodge secretary, said.

Drink-drivers blamed for 1,000 crashes

JASON BENNETTO, Crime Correspondent

Nearly 1,000 accidents were caused by drinking and driving over the Christmas period, despite a drop in the number of motorists failing breathalyser tests, it was revealed yesterday.

The total number of positive tests over the Christmas and New Year campaign in England and Wales was 4,350, compared with 4,706 over the same period last year, a fall of 8 per cent.

For the first time police forces disclosed the number of alcohol-related accidents caused during the festive season. This year there were 939, which resulted in at least three deaths.

The police are particularly concerned about a hard core of motorists, mostly middle aged men, who ignore all the warnings and drive while over the alcohol limit. David Williams, Chief Constable of Surrey and chairman of the Association of Chief Police Officers Traffic Committee, said: "While the overall reduction should be welcomed, it must be treated with a degree of caution, given that 22 per cent of those who gave positive tests had been involved in an accident."

"Over the campaign period we know that at least three peo-

ple have lost their lives in drink-related road accidents and seven others suffered horrific injuries."

He said the small drop was partly due to a hard-hitting Government campaign, which included television advertisements featuring a young man left severely disabled in a car crash after he drank and drove.

He predicted there would be a nationwide debate on whether the legal limit for drink should be reduced. Andrew Howard, head of road safety at the AA, yesterday blamed Britain's drink-drive problem on "a small minority of motorists who continue to ignore the legal limit and deliberately flout the law."

Despite the fall of 8 per cent, it is hard to judge the impact of this year's campaign as few police forces provided comparisons with previous years. In some cases drops in the number of positive tests were because fewer motorists were breathalysed.

There were increases in the number of positive tests compared with last year in Devon and Cornwall, North Yorkshire, Thames Valley, Hampshire, Durham, and Lancashire. In the Metropolitan police area positive tests were up to 850 from 812 the previous year.

Drink-driving in five major police areas

GREATER MANCHESTER: 53 road accidents related to drink-driving. The number of motorists over the limit dropped from 352 last year to 336.

MERSEYSIDE: A total of 36 drivers were positive out of 3,223 tested – a rate of only 1.1 per cent.

METROPOLITAN POLICE: Number failing the breathalyser rose from 812 to 850. There were 135 alcohol-related road accidents.

SOUTH YORKSHIRE: 26 accidents were caused by drink drivers. Police recorded 95 positive tests compared with 94 the previous year.

WEST MIDLANDS: 189 people were found to be over the limit in 1,026 tests. Last year, 252 motorists were arrested from 1,577 breathalyser tests.

St Paul's shooting: Police feared riot over incident involving murder suspects



St Paul's residents outside a post office near the murder scene yesterday

Photograph: Christopher Jones

Gunmen brandished pistols at nightclub

MICHAEL PRESTAGE

The gunmen who shot dead a father of three who tried to intervene in a street robbery had earlier been seen brandishing pistols in a nightclub.

But police called to the Millionaires Club on the edge of the St Paul's district of Bristol where the killing took place at 7am on New Year's Day, decided against taking action because of fears the hundreds of revellers would riot if the all-night dance was closed down.

Officers investigating the death of Evon Berry are targeting those who were at the nightclub. Senior detectives have expressed concern at the lack of co-operation police on the night received from the organisers of the dance. It is understood they failed to help police identify the armed men.

That lack of help is in marked contrast to the public response since the shooting of Mr Berry, 37, a well known local figure and caretaker at the Malcolm X Centre in St Paul's. He had been

returning home after clearing up at the centre's New Year party when he happened across the robbery in Sussex Place. He died from a single shot to the head fired from a .32 pistol.

Police hope the shooting – and the wounding of two brothers aged 36 and 39, who were with Mr Berry, and have not been identified – will lead to stronger ties between the police and the community shocked by this latest incident.

One senior officer said: "This is clearly a tragedy for the fam-

ily and a great disappointment for a community that has worked hard to overcome its poor image nationally. We hope that out of this the local community will grow in strength and greater links with the local police will be forged."

Community leaders have been liaising with the police and it is believed the gunmen were from out of the area and had been attracted to St Paul's for the New Year festivities. The mugging victim, who has not been named but is from

Southampton, was also in Bristol socialising. Police have discounted reports that the gunmen were from the Moss Side area of Manchester.

Although the shooting is the third incident involving firearms in St Paul's in the past month, police were trying to play down the apparent rise of a gun culture allied to the drugs trade in the area. A senior officer said shootings and possession of firearms in St Paul's were rare compared with areas in London, Manchester and Liverpool.

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Dewar dampens Labour hopes

JOHN RENTOUL, Political Correspondent

Donald Dewar, Labour's chief whip, yesterday tried to dampen expectations of a Commons defeat for the Government over a £900m windfall from the self-employed, in votes on the Finance Bill in coming weeks.

Andrew Smith, Labour Treasury spokesman, on Monday highlighted the "hidden tax bombshell" in the Budget, which would put an extra tax charge on self-employed people, leaving many small-business owners facing much larger bills.

Labour hopes that the measure will offend small business supporters on the Conservative backbenches, but tried to play down the prospects of enticing Tories into the Opposition lobby.



Dewar: Plans 'lively time'

Mr Dewar, who was appointed in October by the Labour leader, Tony Blair, to oversee the possible transition to government, plans to set several further traps for the Government in forthcoming parliamentary business.

In addition to the tax rise for the self-employed, the Finance Bill to be published tomorrow is likely to contain measures to enact the recommendations of the Greenbury committee on directors' pay and perks. Several Tory MPs have been unhappy at the Government's handling of the issue. Further votes on rail privatisation and European fisheries policy could also pose risks for John Major.

Mr Dewar promised to give the Government a "very lively time" as its majority dwindles. "But it still has an overall majority," he added. "A Conservative MP with a 10,000 majority has every incentive to keep the Government going because otherwise he joins the unemployment queue... But we're going to give them a very lively time in the Commons."

Emma Nicholson's defection to the Liberal Democrats has cut the majority to three, expected to fall to one after by-elections. But if the independent Tory Sir Richard Body supports the Government, its majority will remain at three.

Labour tried to turn attention to the "campaign in the country", as John Prescott, the deputy leader, set off to launch an offensive in the Staffordshire South East by-election.

The by-election, caused by the death of former Tory whip Sir David Lighthorn, provides Labour – in second place at the last election – with a highly winnable seat. The majority is much smaller than that in mid-Staffordshire, which Labour won in the last parliament, and is comparable to that in Dudley West, won easily in 1994.

The answers to your tax questions

Q What is self-assessment?

A You the taxpayer, rather than the taxman, assess how much tax you owe, so enabling the Revenue to save thousands of jobs and at least £500m a year. The Revenue will, however, work out the amounts payable if you wish.

Q Who will it affect?

A Potentially about 9 million people will be affected, largely the self-employed and employed people with tax affairs that are more complicated than average – typically those who are higher rate taxpayers or have substantial investment income. Tax experts expect that eventually we will follow the US, where just about everybody has

Roger Trapp and John Rentoul explain how tax self-assessment will work

to file a tax return and the Revenue turns its attention to catching tax avoiders and evaders.

Q When will it be introduced?

A April 1997, but some of the features involved with the new system already apply to businesses that began trading on or after 6 April 1994 – the year the concept was launched.

Q Will a self-employed person pay more in tax?

A Yes, if their income is rising from one year to the next. In the 1997-98 financial year, self-employed people will also switch from paying tax on

the previous year's income to paying it on the current year's income. This tax hike is a one-off effect of the shift, and the Revenue will give people some relief at the time of the changeover, but it will cause cashflow problems for many small businesses. Small businesses will also face increased regulatory burdens in dealing with the self-assessment regime, which some experts put at more than £100m a year.

Q How will the Treasury gain the £900m?

A The Treasury estimates that, because self-employed people's earnings are increasing year by year, the effect

of switching from taxing the previous year's income to taxing the current year's will boost the Exchequer's revenue by nearly £1bn. In effect, part of people's tax liabilities is being brought forward by a year.

Q Is this fair?

A Accountants Ernst & Young recently called for a pause in the process arguing that it is not. It is a subsidy to the Government, they said, effectively bringing forward future tax liabilities. On the other hand, the existing system is something of a perk for the self-employed, because their tax payments are delayed by at least a year, while employees have tax deducted from their earnings as they are paid. Leading article, page 12

JPY 100.1220

Pursuit of £40m jackpot fuels lottery fever

REBECCA FOWLER

The first queues to buy lottery tickets for the highest jackpot so far, an estimated £40m, started yesterday in some outlets across Britain as lotterymania gripped the nation.

In an average week 30 million people buy lottery tickets, and spend a total of £65m.

But newsgroups and supermarkets are anticipating an increase of between 30 per cent and 40 per cent in sales by the weekend.

"It's lottery fever all over again, just like the launch week, with everyone following the jackpot. It's what people need to start the New Year with a bang," said a spokeswoman for Camelot, the National Lottery operator.

The jackpot, which is a double rollover, is currently £33m, but the extra sales are expected to boost it by a further £7m, despite criticism from the Church of England that it is too high. The previous highest jackpot was £22.5m, shared by two double glazing salesmen.

At Mead's newsagents in the City of London, sales were up dramatically. "We've already seen a 40 per cent rise already, and all the extra tickets have been prompted by the big jackpot. It's a very attractive thing to a lot of people out there, said a ticket-seller, Neil Mehta.

Spar, the supermarket chain, was also set for an influx of lottery ticket buyers. "The real test is going to be the weekend, but the interest this week is obviously very high, and we're expecting an increase of between 35 per cent and 40 per cent," said a Spar spokesman.

The record sales for the lottery so far were £78m last week, with 5.1 million tickets sold in a single hour last Saturday afternoon. It would take sales of £113m at Britain's 19,000 outlets this week for the jackpot to rise to £40m.

But the Church of England has condemned the prize as "obscene", and claims the lottery has turned Britain into a nation of gamblers and hopeless dreamers.

"This jackpot shows even more strongly than ever how the lottery is encouraging false hopes, and people are relying on the lottery to solve all their problems... a flutter is fine, but the lottery has gone way beyond that," said a Church of England spokesman.

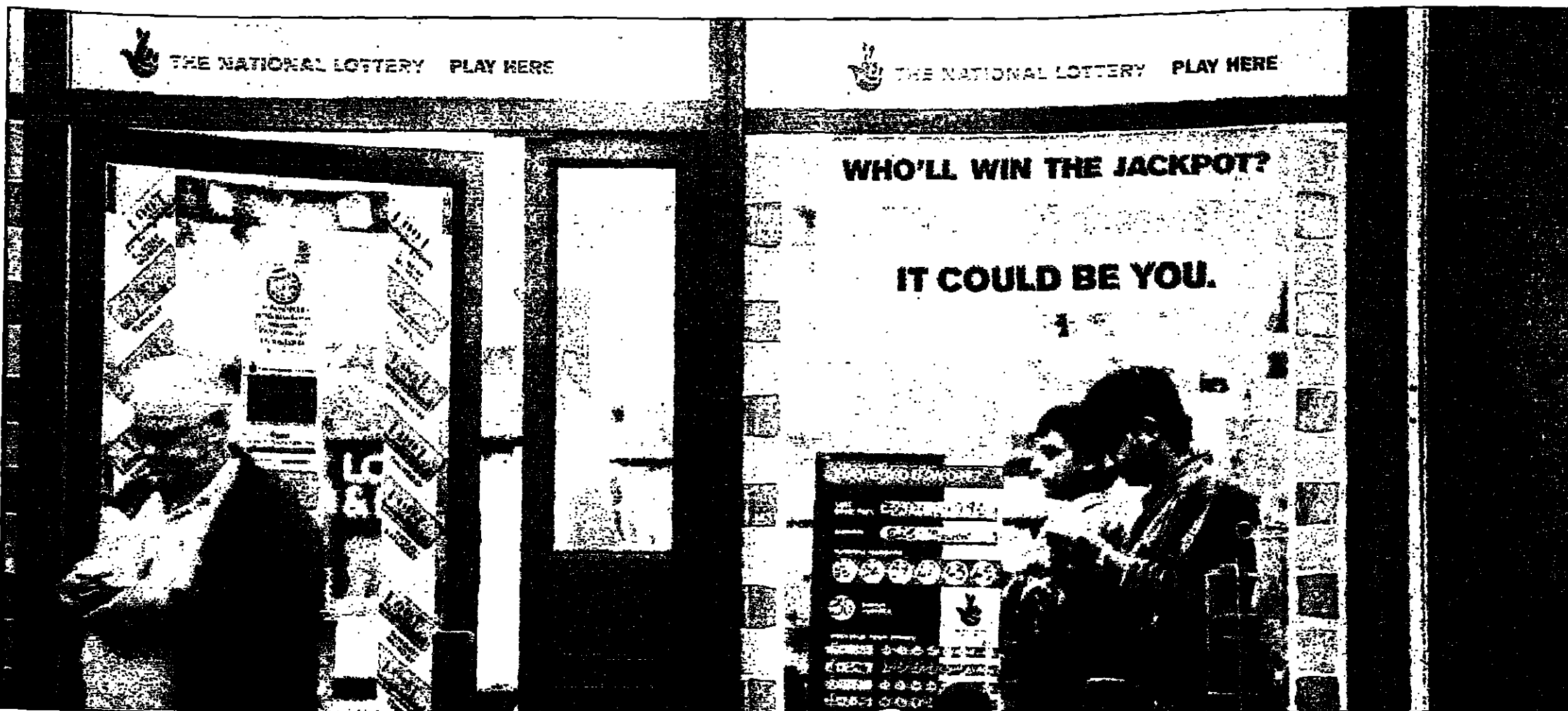
The church has prompted calls for prizes to be capped and spread out among more people, or for Britain to follow the American example of paying out big wins in annual portions rather than a lump sum.

"There have to be a very large number of people who have bought tickets and not seen a return, or very little, and it would be much more attractive to have a lottery that paid out medium level prizes to a lot more people," said Patrick Boylan, professor of arts policy at City University in London.

The Department of National Heritage was fending off criticism of the prize amount with a new campaign this week to encourage more community groups to apply for grants from the lottery good causes fund.

For many of those who have won the larger jackpots, money certainly has not bought happiness. Mark Gardiner, who shared the £22.5m prize with his business partner last April, said it ruined his life.

All winners have struggled to maintain privacy. Only 20 per cent of jackpot winners have opted to go public, compared with 50 per cent in Ireland, but many have failed to disguise their new-found fortunes.



Could it be you?: This week's lottery jackpot may rise to £40m with extra ticket sales generated by the double rollover

Photograph: Edward Webb

Sainsbury's steps up price war

NIGEL COPE

Sainsbury's escalated the supermarket war yesterday when it launched a price-cutting campaign, as figures showed that its market share was still declining.

Its challenge comes a few days after Iceland, the frozen food retailer, said it was cutting some prices to 1986 levels. And yesterday Asda stepped up its campaign for cheaper medicines with a legal challenge to the price-fixing agreement which covers non-prescription drugs.

Tony MacNeary, supermarket analyst at the stockbroker NatWest Securities, expected other supermarkets to hit back at Sainsbury's move. "I can't believe rivals are going to sit there and do nothing," Tesco and Sainsbury held strategy meetings yesterday to decide on their response. But Sainsbury's attack is not expected to trigger an all-out price war. "This is not a price war, it is just another skirmish," Mr MacNeary said.

Sainsbury's has been consistently outflanked by Tesco and Asda, which have launched aggressive price promotions. However, the group played down price-war fears, saying it was simply trying to "counter the post-Christmas blues" by cutting the price of 200 product lines by up to 50 per cent during January. The offer includes 2.5kg bags of potatoes down from £1.39 to 69p and Sainsbury's Red Label tea bags, reduced from £1.75 to £1.15. Sainsbury's says that the promotion will save customers £20 on a typical weekly shopping basket of £70.

Rivals criticised the campaign as little more than a gimmick. Tesco said: "All the things Sainsbury's are doing we are doing already." Asda said the campaign was "short-term price gimmickry" and said surveys consistently showed it to be the lower-cost supermarket.

Figures released yesterday by the AGB research group for the four weeks to 17 December show Tesco as the market leader with a 21 per cent share, up 2.2 per cent on last year. Sainsbury's fell to 19.4 per cent, while Asda and Safeway, in third and fourth places, also recorded gains over the year.

Sainsbury's is expected to offer other deals this year to try to regain ground lost to rivals which have launched loyalty cards and other campaigns. One analyst said: "We are expecting the big one from Sainsbury's but this isn't it."

Elsewhere, retailers reported a strong start to January sales. The British Retail Consortium said sales were strong in clothing, linen and electrical goods; larger retailers were doing better than smaller shops. London stores reported hordes of overseas customers, attracted by lower prices and a favourable exchange rate.



Cheap tills: Supermarkets have been skirmishing with a variety of promotional weapons

Starting January, the offer includes 2.5kg bags of potatoes down from £1.39 to 69p and Sainsbury's Red Label tea bags, reduced from £1.75 to £1.15. Sainsbury's says that the promotion will save customers £20 on a typical weekly shopping basket of £70.

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Man in burglary death case 'scarred for life'

A businessman released without charge after a fatal struggle with a burglar wrenched yesterday as he told how his experience has left him scarred for life.

Niklos Baumgartner, 53, of Victoria Avenue, Ockbrook, Derby, was speaking for the first time since the death of Robert Ingham, a 22-year-old unemployed man from Derby, at Mr Baumgartner's five-bedroom house on Saturday afternoon.

At a press conference at the office of his solicitor Stuart Barlow, Mr Baumgartner shuffled in with a plaster cast on one wrist and a black eye suffered in the struggle at his home. Asked what effect Mr Ingham's death had had, he replied: "I will never be a man again."

He broke down as his solicitor explained that although police had released him last night without charge, papers were being forwarded to the Crown Prosecution Service for consideration. Mr Barlow said his client could therefore answer no questions concerning the incident or his feelings towards Derbyshire Police and their treatment of him.

Mr Baumgartner, a well-known local businessman who runs a business laying tennis courts around the country, described his injuries to the press, saying he had suffered a broken wrist and still ached all over from his ordeal.

His solicitor said: "Mr Baumgartner was detained in hospital for a short period having sustained various injuries to himself. Mr Baumgartner attended at Ilkeston police station on Monday 1 January 1996 as a volunteer where he has assisted the police with their investigations. He was not arrested. Mr Baumgartner has experienced a terrifying ordeal and asks that his privacy and that of his wife be respected by all members of the press in order that he can make as speedy a recovery as possible."

A post-mortem examination on Mr Ingham has revealed that he died from a neck injury consistent with Mr Baumgartner's description of the struggle, which ended with the dead man lying on his driveway as he ran to neighbours for help.



Niklos Baumgartner: 'I will never be a man again'

Banned driver went shopping in JCB

A man who went on a shopping trip with a 22h-long JCB digger, after he had been banned from driving, was yesterday jailed for five months.

Andrew Morris, 27, an unemployed former construction worker, parked the digger in a zone which was reserved for disabled vehicles at an Asda store in Wakefield, West Yorkshire.

Morris then went inside to do some shopping, leaving the JCB digger blocking the cars outside the supermarket, magistrates at Morley, near Leeds, were told.

Morris, of Healey Drive, Ossett, West Yorkshire, was banned from driving at the time. However, he said that he did not know that the ban included diggers.

Morris admitted driving while disqualified and was banned for a further year and jailed for five months.

Started shoppers alerted the police when Morris arrived at the store with three other people last July.

His solicitor, Phillip Howell, told the court that Morris, who bought the digger for £5,000 two weeks earlier, had no idea that his driving ban extended to all vehicles.

He added: "He thought it was safe to drive it on the roads and that he wasn't doing anything wrong. If he'd known, he'd never have been on the road with the JCB."

Mr Howell said that although Morris did not need a driving licence or insurance to use the digger for a job he was due to start, repairing parts of a motorway, he needed them both to drive it privately on public roads. Morris also pleaded guilty to driving while not having insurance and admitted two other charges of driving a car while disqualified.

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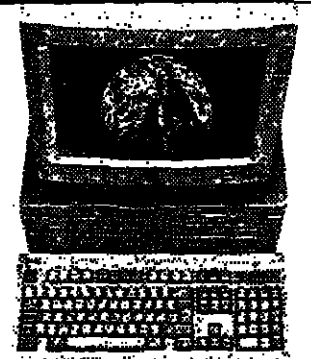
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Morris: Thought it was safe

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news

Women on HRT 'enjoy much longer lives', study shows

GLENDIA COOPER

Women who use hormone replacement therapy (HRT) to treat the menopause can look forward to substantially longer lives, according to a new study. Doctors in the US have discovered a 46 per cent drop in death rates among women who take the oestrogen-replacement pill, largely because of the protection it provides against heart attacks and strokes.

The report, in the latest edition of the *American Journal of Obstetrics and Gynecology*, evaluated the medical history of 454 women in Oakland, California, born between 1900 and 1915 and compared the fortunes of those who started oestrogen HRT and those who did not. About half the group – 232 – used oestrogen therapy for at least a year starting in 1969 and an age-matched group of 222 were non-users. Among those

women who did not use HRT there were 87 deaths from all causes. Among the HRT users, there were 53 deaths. "The overall benefit of long-term oestrogen use is large and positive," the study found, noting that women who use this "relatively inexpensive drug can substantially reduce their overall risk of dying prematurely". Overall mortality rate for users was 46 per cent below that of non-users, said Dr Bruce Ettinger, lead author of the research, and most of the benefit was connected to preventing heart attack and stroke, the leading killers of women.

For coronary heart disease, HRT users had a 60 per cent reduction in mortality risk. For other cardiovascular problems, such as stroke, the HRT users had a 73 per cent reduction in mortality. The study also compared the death rate from cancer and from all other causes.

Dr Ettinger said: "There was no statistically significant difference." There was a slightly higher rate of breast cancer death among oestrogen users, he said, but this was statistically offset by a slightly lower rate of death from lung cancer. "What is unique about this study is that it is a long-term observational examination of two groups that are closely matched," Dr Ettinger said.

Oestrogen-users in the study started taking the hormone before it was known that the drug had any major health benefits, Dr Ettinger said. "They were taking the drug back then to treat hot flushes caused by menopause," he said. Only later did doctors begin to recognise that oestrogen had other medical benefits. Now the hormone is being prescribed to treat or prevent a variety of conditions, including osteoporosis, a bone-thinning disorder.

In the past the use of HRT has been controversial with claims that it could cause breast cancer. But most doctors believe that HRT's benefits outweigh the risks, as it also stops extreme mood swings, depression, blackouts and memory loss. Famous users of HRT include Baroness Thatcher, Teresa Gorman MP, and the actresses Joan Collins and Kate O'Mara.

The Labour MP Alice Mahon said it was an "exciting development" and called for the Parliamentary Health Select Committee to look into the findings. Joan Jenkins, founder president of the charity Women's Health Concern, said: "Too few women are taking HRT. Only 10 per cent of eligible women who are oestrogen deficient are taking it and more women need to be told of its benefits."

Nicholas Timmins talks to the man chosen to regulate public appointments



Tough task: Sir Len Peach will have responsibility for appointments to 9,000 jobs in 1,000 public bodies

Sir Len Peach, the first Commissioner for Public Appointments with responsibility for 9,000 jobs in 1,000 public bodies, took office a week before Christmas. By the end of the month he hopes to produce the draft of new guidance on how public appointments should be handled, a process he will monitor, regulate and approve while ministers remain responsible for the appointments. His remit could cover up to 2,000 appointments a year in organisations ranging from NHS trusts to the Medical and five other research councils, the Housing Corporation, English Heritage and the higher and further education funding councils. Between them, they spend around £40bn of public money. The need, he says, as defined by the recommendation of the Nolan committee, is to "reinforce public confidence in holders of public office". His office is dominated by three themes – transparency, balance, and merit – but also by the need to ensure that the costs of making appointments in a more open and accountable way do not outweigh the benefits or discourage applicants.

King of the quangos prepares for power

To that, he adds his own agenda of making the appointments system "less sluggish and more efficient". It is a desire born of a wide experience of both the private and public sectors that has included 30 years with IBM, much of them as director of personnel and corporate affairs, to becoming the first chief executive of the NHS in 1986 and sitting on a host of government and private sector boards since, the most recent of which has been as chairman of the embattled Police Complaints Authority since 1992. The job follows on the widespread perception that after 16 years of Tory rule, appointments have become politically biased and unbalanced, with the new class of "quangocrats" dominated by white, professional, male, middle-aged businessmen or company directors.

The verdict of Lord Nolan's committee on standards in public life on this matter might be summed up as "not proven", while finding sufficient grounds for concern to recommend Sir Len's appointment. Part of Nolan's difficulty in reaching a conclusion was the lack of information. No central register exists of those appointed. Until now, no political affiliations have had to be declared. People were found holding four, five or even more posts across various forms of quango from the ministerially appointed "non-departmental executive bodies" for which Sir Len is responsible to more arm's-length public entities such as Training Education Councils, universities and urban development corporations, whose work Sir Len does not cover. A few appeared to hold appointments that

required more time than there were days in the week. Much of this, Sir Len has been put there to change. Political activity (though not party membership) over the past five years will be recorded. Government departments and Sir Len will publish annual reports on appointments and the operation of the system. "There is," he said, "an advantage in some people doing several jobs. There is an inter-relationship between some of the quangos. But if people are holding two jobs in non-departmental executive bodies and five jobs elsewhere, my concern is 'do they have the time to do the two?' That's an assessment that must be made and can be addressed." Appointments had to be made on merit, he said. And amid charges that quangos have

Photograph: Peter Macdarmid

become dominated by "the cult of the businessman", he acknowledges the need for balance. "We have been through a phase where there has, quite rightly, been an emphasis on effectiveness and efficiency. Now it is important to make sure that we get the balance right." His own record here is encouraging. The Police Complaints Authority is composed of nine men and five women, with three members from the ethnic minorities – a make-up that at least reflects the fact that 18 per cent of complaints come from the ethnic minorities despite them making up only 5 per cent of the population. But cost may prove a limiting factor on how transparent the new system will become. Some MPs and academics would like to see a central database, as opposed to a clutch of annual reports, which the public could check. "If it is to be done, then there will have to be sufficient money to actually do it." As yet, there is not. It is an issue that MPs on the new Standards and Privileges Committee is likely to raise when Sir Len appears before them for the first time later this month.

Missing women: Student's parents draw a blank as police step up searches at home

Fears grow for backpacker lost in Thailand

STEVE BOGGAN

Fears for the safety of a backpacker missing in Thailand grew yesterday when her parents, who have flown out to search for her, declared that they had "drawn a blank". Jo Masheder, 23, was due to return home before Christmas but she did not board her flight and has not contacted her family since. Her father, Stuart, made an appeal yesterday for fellow travellers who may have met her to contact the police.



Jo Masheder: No clues

Mr Masheder and his wife, Jackie, are staying on Ko Samui, one of a group of islands 400 miles south of Bangkok, to which Miss Masheder was thought to have been heading before her disappearance. He told BBC Radio 4's *Today* programme that he believed his daughter had been in northern Thailand at the beginning of December and had moved south as the month progressed. She had already visited Canada, Australia, New Zealand and Fiji alone after completing her law exams at York University. He said he had spoken to numerous locals but thought that they might have had difficulty in remembering the features of Westerners. "They probably think we all look quite similar, and distinguishing relatively subtle differences between people three weeks after they've seen them is extremely difficult," he said.

"We're just trying to use our best judgment, based on what we know of Jo's intentions... but so far we have drawn a complete blank." British police, who are liaising with their counterparts at Interpol, have issued a description of Miss Masheder in the hope that a returning holidaymaker might remember her. "Jo is very tall and we are hoping someone will remember seeing her," said Insp Colin Cope of Macclesfield police. She is slim with fair complexion and has light brown hair which she wears in a long bob style or a pony-tail. While travelling, she was wearing jeans or shorts and T-shirts. She was carrying a blue 75-litre rucksack. Mrs Masheder last spoke to her daughter on 7 December, when she was in the northern

Thai region around the city of Chiang Mai. Since then, a friend in England received a postcard from her from Bangkok, but her family has not been contacted, even though she missed her flight. Meanwhile, in England, detectives searching for 18-year-old Louise Smith, who went missing early on Christmas Day after a leaving party in Yate, near Bristol, said they remained "baffled" by her disappearance. Officers from Avon and Somerset Police who questioned guests at the club on Sunday said they received useful information but no positive leads to help find Miss Smith, a clerical assistant. Justin Panetta, 22, a friend who last saw her alive, was able to tell police that she was driven off in a blue Ford Fiesta by a dark-haired woman called Emma. A police spokesman said officers had so far been unable to track down the Fiesta or the woman. Police leading the hunt for the murderer of the French accountancy student Celine Figard, 19, are being helped by hauliers across the country, who are checking the records of movements of their white Mercedes-Benz lorries. Celine was last seen alive taking a lift from the driver of such a lorry at Chislevey services at the junction of the M4 and the A34 near Newbury, Berkshire, two weeks ago.

Mystery over mother who disappeared from party

A 39-year-old mother of two was still missing yesterday after vanishing from a restaurant during a family birthday celebration, writes Steve Boggan. Sharon Hammond has not been seen since she excused herself in between her starter and main course and asked a waitress for directions to the women's lavatory at Bluebecker's restaurant in Chobham, Surrey. Relatives raised the alarm within 20 minutes of her failure to return. But all that remained was a shoe on a cricket ground behind the restaurant. A family member has since identified the black, high-heeled slippers as hers. Police will today launch an inch-by-inch search of the village in a bid to find out what happened to her. Attempts to use a helicopter with heat-seeking equipment have so far been stymied by poor conditions.

Mrs Hammond, from Fleet, Hampshire, had travelled to the restaurant last Friday in her own car to meet her husband, Colin, who arrived separately from work. She joined the party of 40 friends and relatives and sat down to eat at about 8pm. It is understood she had had only one drink before her disappearance and had been in good spirits. One guest at the party said she simply asked for directions to the ladies and never returned. Detective Chief Inspector Keith Rogers of Surrey police said there were growing concerns for her safety because of the weather conditions on the night she vanished. "It was -5C, the coldest night we have had so far, and Mrs Hammond was wearing only a short black dress and a bolero jacket," he said. "That would be ideal for a party, but not for out-

doors in such cold weather." He said police had no clear evidence that foul play was involved and he was keeping an open mind. "Thousands of people go missing every year, some of them in very strange circumstances, so we are not jumping to conclusions." However, officers will be deployed in a systematic search today "starting from the back door of the restaurant and fanning out", said Mr Rogers. An incident room was set up near the scene yesterday. Officers have been given one reported sighting of a woman wearing similar clothes to Mrs Hammond in Chobham on Friday night. Last night, Mr Hammond said he remained hopeful his wife was safe. "I am trying to maintain a positive frame of mind," he said. "I just have to keep thinking positively."

Nurses replace doctors in 24-hour calls trial

GLENDIA COOPER

A new system in which nurses answer out-of-hours calls to ease the burden on family doctors will be tested for the first time this month. Demand for out-of-hours primary medical care has quadrupled in the last 25 years according to the Royal College of Nursing which is supporting

the research at Southampton University. A telephone service which offers out-of-hours medical advice to patients will be given a year's trial in Salisbury. British Telecom has provided a grant of £270,000. Under the system, patients will be able to call their normal surgery number and speak to a nurse about a health problem,

even in the middle of the night. The nurse will assess the call and give health advice using agreed clinical guidelines. If needed, or demanded by the patient, a doctor will be called. It is hoped that it will help family doctors faced with ever increasing demands for expert advice from patients outside normal surgery hours. Doctors estimate that half the

night calls they receive could be dealt with on the telephone. In September the Government put together a £45m package to equip primary care centres for night and weekend visits after doctors had threatened industrial action over night visits. Similar telephone services are already common in such countries as Canada, Sweden and the United States.

"There are two potential benefits," said Dr Steve George, senior lecturer in public health medicine at Southampton University. "It may reduce visits by half which consequently benefits the people doctors do visit as they will be able to get there quicker. And those who do not really need to see the doctor can ring up for advice to set their mind at rest."

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Novels, biographies and poems: The five winners in the Whitbread Awards

Novel
The Moor's Last Sigh
by Salman Rushdie

Author's biography: Calibrated prize-winner. Still living under an Iranian fatwa issued in 1989.

Plot: The fall from grace of a high-born crossbreed, Moraes Zogoiby, heir to a rich spice dynasty.

Critics' view: "All that the reader might hope for is there: the best and bounce of the writing, the pouring accumulation of the prose." — Malcolm Bradbury

Judges' view: "An outstanding book in an excellent field."

Readability: Almost zero

First novel
Behind the Scenes at the Museum
by Kate Atkinson

Author's biography: Born in York in 1951; lives in Edinburgh with two daughters, former chambermaid and home help.

Plot: Tale of Ruby Larnox, grudgingly conceived by Bunty, who really wants to be Vivien Leigh.

Critics' view: "Without doubt one of the finest novels I have read for years" — Mary Louden, The Times

Judges' view: "A wonderfully accessible, hugely readable and absorbing book"

Readability: Excellent

Children's novel
The Wreck of the Zanzibar
by Michael Morpurgo

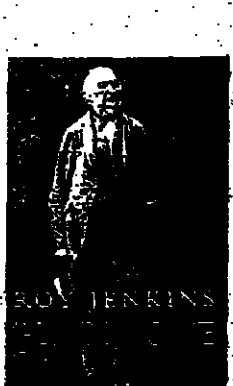
Author's biography: Has written over 40 children's books; lives in Devon with his wife; runs the charity Farms for City Children, which allows 2,000 children a year to spend a week working on a farm.

Plot: A storm brings an unexpected harvest ashore for Laura, who lives in the Solly Isles in 1907.

Critics' view: "Evocative, tender and truthful" — Susan Hill, Daily Telegraph

Judges' view: "Deeply moving and believable"

Readability: High, especially for adults

Biography
Gladstone
by Roy Jenkins

Author's biography: Former Home Secretary, Chancellor of the Exchequer and President of the EC. Now leader of the Liberal Democrats in the Lords and Chancellor of Oxford University.

Plot: Gladstone's life, including his self-deception and "savage" of prostitutes.

Critics' view: "Elegant and exuberant" — Sir Robin Day

Judges' view: "A great book about a great man"

Readability: Surprisingly good — pretty easy too

Poetry
Gunpowder
by Bernard O'Donoghue

Author's biography: Born in Cullinstown, Co. Cork, in 1943. Has published books on medieval literature, which he teaches at Oxford University.

Plot: Episodes from the poet's upbringing.

Critics' view: "It manifests not only a genuine maturity but also an original style" — Elizabeth Jennings, Daily Telegraph

Judges' view: "Has a great sense of place and time and writes about complex themes in a very simple way"

Readability: High in places



Novel success: Salman Rushdie seems certain to claim a second Whitbread book prize Photograph: Mark Harrison

Rushdie award another reason for Amis to sigh

MARIANNE MACDONALD
Media Correspondent

Salman Rushdie is today named as the winner of the Whitbread Novel Award for *The Moor's Last Sigh*, making it a near-certainly he will walk away with the overall prize later this month.

His selection means Martin Amis's *The Information* is again knocked out of the running for a major book prize. It had been shortlisted along with Pat Barker's *The Ghost Road*, Justin Cartwright's *In Every Face I Meet* and Kazuo Ishiguro's *The Unconsolable*.

Both Amis and Rushdie also competed for last year's Booker prize. Amis did not make the shortlist, while, to the surprise of observers, Rushdie lost to *The Ghost Road* at the final selection in November.

It is the second time the Bombay-born author has won the Whitbread Novel Award. The other time was in 1988, for *The Satanic Verses*, the book which triggered the late Ayatollah Khomeini to call for his death in 1989.

Ironically, his latest novel has also raised hackles, this time among Hindu fundamentalists. One of its characters lampoons Bal Thackeray, the hard-line leader of the Shiv Sena group which in effect runs Bombay.

Evoking memories of the

Iranian *fatwa*, Pramod Navalkar, of Shiv Sena, threatened in August that the party would not allow the book to be sold in the city.

Customs obstructions have subsequently meant it is now al-

most impossible to obtain a copy in India.

Mr Rushdie said his award for *The Moor's Last Sigh*, which he describes as "a funny novel about love", was "a nice New Year's present". He added:

"I'm very pleased to have the recognition for the novel. It's also nice because it's the second time I've won."

The winners of the four other categories are: Kate Atkinson for the First Novel Award; Michael Morpurgo for the Beateater Children's Novel Award; Roy Jenkins for the Biography category and Bernard O'Donoghue for the Poetry Award.

The five category winners each wins £2,000 and goes forward to a final draw — for the Whitbread Book of the Year. Worth £21,000, this prize is one of the most valuable and prestigious in the book trade.

It is also an unusual and, some argue, artificial prize in that the judges are forced to choose a winner from five very different styles of writing.

The choice will be made on 23 January by nine judges, including Jane Asher, who runs a cake-making business and has yet to publish a novel; Rachel Cusk, a former Whitbread First Novel winner; Sheena McDonald, a television presenter; and Candia McWilliam, the Edinburgh-born novelist.

Last year William Trevor's bleak book about serial killing in the suburbs, *Felicia's Journey*, won the Book of the Year prize. The novel tells of the search by a young Catholic girl for the father of the baby she is carrying.

DAILY POEM

Gunpowder

By Bernard O'Donoghue (Winner, Whitbread Poetry Prize)

In the weeks afterwards, his jacket hung
Behind the door in the room we called
His study, where the bikes and wellingtons
Were kept. No-one went near it, until
Late one evening I thought I'd throw it out.
The sleeves smell of gunpowder, evoking ...
Celebration — excitement — things like that,
Not destruction. What was it he shot at
And missed that time? A cock pheasant
That he hesitated too long over
In case it was a hen? The rat behind
The piggy that, startled by the bang,
Turned round to look before going home to its hole?

Once a neighbour who had winged a crow
Tied it to a pike thrust in the ground
To keep the others off the corn. It worked well,
Flapping and cawing, till my father
Cut it loose. Even more puzzlingly,
He once took a wounded rabbit off the dog
And pushed it back into the warren
Which undermined the wall. As for
Used cartridges, they stood well on desks,
Upright on their graven golden ends,
Supporting his fountain-pen so that
The ink wouldn't seep into his pocket.

Union's shift to the left
could embarrass Blair

BARRIE CLEMENT
Labour Editor

Tony Blair faces a potentially embarrassing leftward shift by the public service union Unison, which is shortly to become the Labour Party's most powerful affiliate.

A process was set in train yesterday which is likely to result in the country's largest union assuming the biggest block vote at Labour's policy-making conference.

It is the first time that a public sector union has become the party's biggest financial backer.

From the first working day of the new year members of the old local government union, Nalco — one of three which merged to form Unison — were able to opt in to the new union's affiliated political fund. Until yesterday they had only been able to participate in the old Nalco account which was not linked to Labour.

Insiders predict that there will be an influx into the affiliated fund of left-wing Nalco activists who could tip the balance in critical votes.

Unison officials have attempted to circumscribe the in-



Rodney Bickerstaffe: Set for difficulties with Labour

fluence of the far left by insisting that only Labour members can be elected to the regional and national committees of the affiliated fund. However, such a strategy will have a limited impact as many devotees of the hard left are also Labour Party members. Labour's policy-making annual conference often makes decisions on the basis of the votes of a handful of delegates. While the share of the union vote at the annual conference will decrease from

70 per cent to 50 per cent at this year's assembly, Mr Blair's aides will be anxious to ensure that Unison is "on side" when important decisions are made.

Labour will also be faced with the prospect that for the first time in its history its largest affiliate will be a public sector organisation. Unison superseding the largely private sector unions, the GMB and the Transport and General.

Unison will have a strong vested interest in lobbying for enhanced public expenditure. A future Blair administration will be in the unusual position of controlling state spending at a time when the Labour Party's biggest financial backer is a direct beneficiary of such expenditure through the payment of union subscriptions by public sector employees.

Within the next few weeks senior Unison officials are due to Labour see key members of the Shadow Cabinet to urge that Labour begins to fill a policy void over public sector pay.

The present government has kept the lid on the pay aspirations of public sector workers, but it is a moot point whether that will continue with Labour.

There is also the question of the new leader of Unison, Rodney Bickerstaffe, former head of the blue-collar union Nupe, takes over as general secretary in March from Alan Jinkinson.

Mr Bickerstaffe could have a problematic relationship with Mr Blair. The general secretary-elect achieved national notoriety as a senior official of Nupe during the grave diggers' strike in 1979 — the so-called "Winter of Discontent" which brought down the last Labour government.

Since that time, Mr Bickerstaffe has largely kept his political head down. As general secretary of Nupe, he allowed his deputy Tom Sawyer — now general secretary of the party — to shift the union from its left-wing policies.

While privately he argued in favour of Mr Blair's reform of Clause IV of the Labour constitution, he was forced in public to oppose it. At the special conference last April he was accused non-attributably by Mr Blair's aides of making a "bitter little speech".

Mr Bickerstaffe, Unison and the Labour Party have a difficult course to steer.

Meningitis fear
as boy, 2, dies

GLENDIA COOPER

A two-year-old boy died of suspected meningitis and three other boys are believed to be suffering from the disease at the same hospital, it was revealed yesterday.

The boy who died took ill at home in Huyton, Merseyside, on Thursday afternoon and the family doctor diagnosed a virus. His parents took him to Whiston Hospital that night when he developed red blotches on his stomach. He died at 1.30am on Friday morning. Two three-year-old boys were improving at the hospital yesterday and an 11-year-old boy has been transferred to Alder Hey Children's Hospital, Liverpool.

The name of the boy who

died has not been released. His father said yesterday: "My message to other parents is, if you are not sure, get them straight to hospital."

A spokeswoman for Whiston Hospital said the Public Health Laboratories had been alerted and found no evidence of a connection between the cases.

The families and their contacts were being offered antibiotics. All GPs in Merseyside are on alert and leaflets detailing symptoms were being given out. Parents were advised that symptoms include fever, irritability, restlessness, vomiting, aversion to bright lights and a purplish rash.

The National Meningitis Trust helpline can be contacted on 0345 538 118.

£70m contract to run
written driving test

Details of the new written theory test for learner drivers were released yesterday as a £70m contract was awarded to run the scheme.

The Driving Standards Authority announced that a newly-formed company, DriveSafe Ltd, had won the five-year contract for the written part of the driving test. From 1 July learners will have to sit the written test as well as be examined on their practical driving skills.

They will have to answer 35 multiple-choice questions based on the Highway Code and road safety matters. Tests will last about 40 minutes and will include driver attitude, traffic signs, the effects of alcohol, drugs and fatigue and environmental aspects of vehicles.

The fee for the theory test is expected to be £13 to £15.

Drivers will have to pass the theory test before they may take the on-road practical test, except during the first six months after its introduction on 1 July, when learners may take the theory and practical test in either order to avoid a bottleneck of candidates waiting for tests.

The motoring school BSM welcomed the new test but warned that learner drivers face waits of up to four months for an in-car driving-test date before the theory test is introduced. A spokesman added: "We are also concerned that only 130 test centres are being opened, which may mean that people have to travel some distance to take the test."

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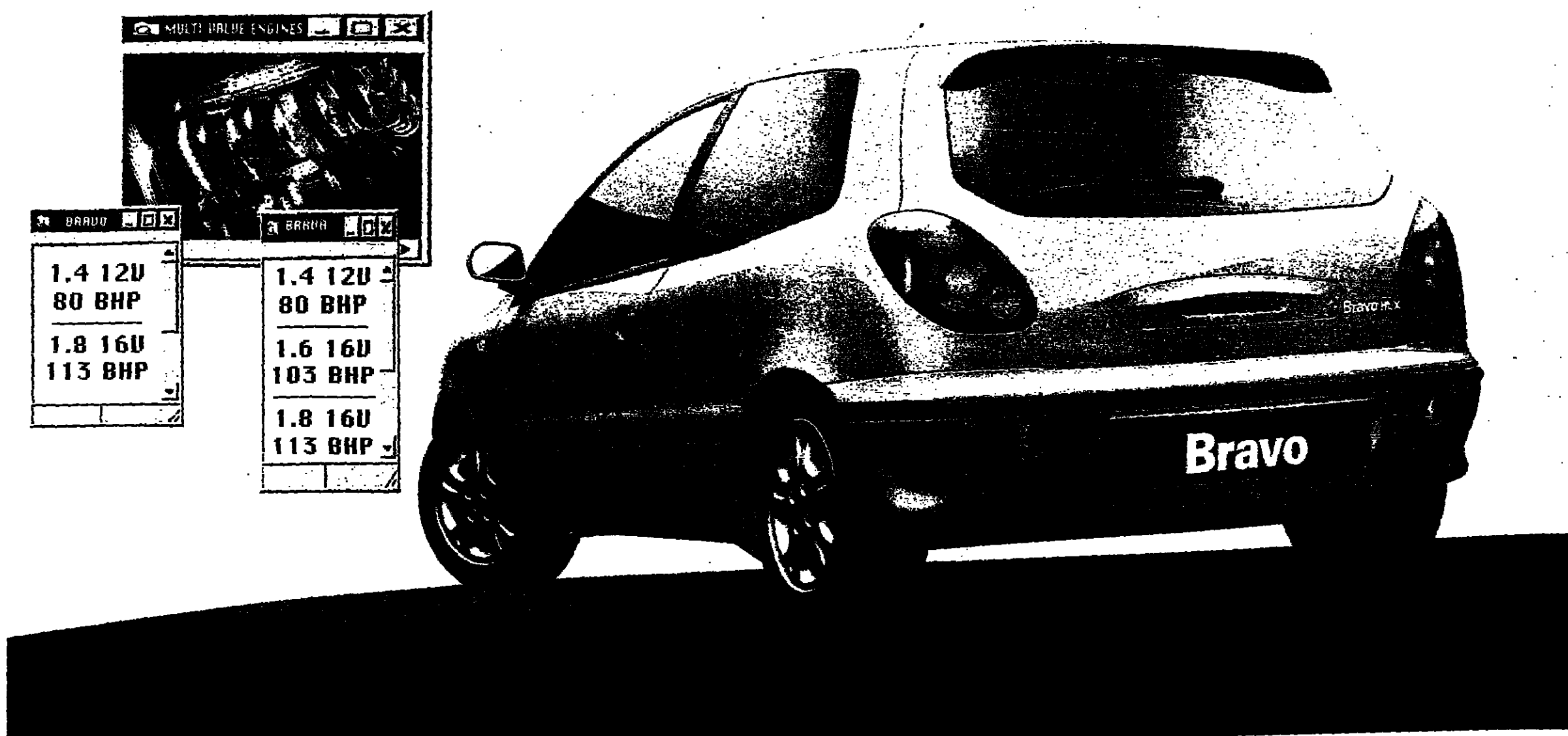
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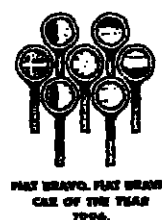


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Russian justice: Soviet collapse leaves killer's appeal against execution in judicial limbo

Six years on death row dims 'Flame'

HELEN WOMACK
Yelets

Imagine. You are kept alone in a narrow, windowless cell which you never leave, not even for a short walk in the prison yard. Every time you hear a footfall in the corridor, you think the guards are coming to take you for execution. Your relatives visit you occasionally and each time you say a tearful farewell. And this goes on for six years. Such is the hellish existence of Nikolai "The Flame" Pozhdayev, on death row in the town of Yelets in central Russia. "Don't get the wrong idea," said Yuri Frolov, acting governor of Yelets prison. "This guy is no national hero. He is a real killer."

But even the prison authorities feel that the cruel limbo in which he is being kept is a violation of human rights. Pozhdayev earned his nickname when he took the leading part in a brutal gang murder of three men travelling in a lorry. The killers robbed their victims before burning them in their vehicle. For this, in December 1989, Pozhdayev was sentenced to death. The other members of the gang each received the maximum jail term in Russia — 15 years.

The Russian justice system is much simpler than that in America, where death row inmates can spend years appealing to higher and higher courts. Here, the prisoner has one chance, a direct appeal to the President, and if that fails he can expect a bullet in the back of the head to follow fairly swiftly.

And so, after he was sentenced, Pozhdayev appealed to the then Soviet president, Mikhail Gorbachev, and received a refusal. Knowing the system, he understood that he had, at most, only a few weeks left to live and he composed his mind as best he could. Then the Soviet Union collapsed. He was told to appeal again to the new Kremlin leader, Boris Yeltsin. He has been waiting for a reply ever since.

What can you ask a man in this situation? "How do you feel?" As I was taken into his cell to meet him, I remembered that Pozhdayev had seen no woman except his mother for six years. Pale-faced and dressed in the distinctive navy and grey striped uniform of a *smernik* (death-row prisoner), he stood to attention as I entered. The guards hovered in the doorway. But there was no threat. He was infinitely more afraid of me than I was of him. Perhaps I had come to announce his death.

Timidly, I requested an interview. He asked for an hour to marshal his thoughts. I just had time to notice the tight

mesh over the window, blocking out all natural light, the narrow bed and toilet hole in the corner before I was ushered out.

The guards organised a tour of the prison to pass the time until Pozhdayev was ready. They wanted to tell me that they were strict but humane. They welcomed the Interior Ministry's new battle against corruption. They complained that the state had not paid their wages for the past five months.

We tramped the corridors of the fortress-like jail, which was built in 1830 and which remains standing only because of the huge iron girders which hold it up. My own ideas of Russian prisons come from Solzhenitsyn — icy cells, guard dogs, watchtowers. But Yelets Prison is unsettling in its attempts at cosiness.

The cells have black-and-white television sets and the prisoners are allowed posters on the walls. The library is perhaps a little overstocked with the works of Lenin, but soft pornography is also available. In the kitchen, young men peeled potatoes into bath tubs under the supervision of a motherly former factory-canteen manager, who said that meat was guaranteed daily. As is physical exercise.

The privileges of the ordinary prisoners are not for Pozhdayev. Thirty-one years old, he has been in and out of custody since he was 11. His father was also a convicted murderer. A local reporter had warned me that Pozhdayev had become like an animal. "He smelt me through the metal door of his cell. He said he recognised my after-shave. He will smell you too."

But in the interview Pozhdayev was all too human. He spoke softly, haltingly, obviously overwhelmed by the space of the conference room where he had been placed for our 10-minute talk. The time was short but he revealed something of his agony.

"I thought it would be quick but it has dragged on," he said. "Each time I hear a sound in the corridor, I think the moment has come. When you came, it was strange. I thought, 'maybe this is it'. My mother visits me once a month and every time we say goodbye."

Pozhdayev said he passed his time like a caged beast, "pacing to and fro". His cell light is always switched on but he has control over the radio switch and sometimes listens to pop music. He once gave up smoking for two weeks but then thought: "What's the point?"

Pozhdayev said he had heard that life sentences could soon be available in Russia. He would prefer life imprisonment



'Caged beast': Convicted murderer Nikolai Pozhdayev has spent six years on death row in Yelets prison, in daily expectation of his execution. Photograph: Vladimir Durneva

to execution because while he has his life he has hope.

His other requests were modest. "Tell the civilised world I need medicines for my stomach ulcers," he said. "And say I want magazines — magazines with coloured pictures."

Outside the jail, I can't forget Pozhdayev. The thought strikes me that my writing about him may bring him to the attention of someone in Mr

Yeltsin's office and his execution may be hastened.

But the chances are that nothing will be decided in the foreseeable future. The Kremlin leader is reviewing the use of the death penalty, weighing up the need to protect society from rising crime against the necessity of satisfying the Council of Europe on issues of human rights if Russia is to become a member of the Eu-

ropean Union. However, with presidential elections due in June, the latter is not a priority. Accurate statistics are hard to come by, but it seems that fewer executions are now being carried out in Russia. The head of the regional prison service, Colonel Vladimir Mitkevich, thinks the number may have been about 20 for 1995.

How many prisoners still await execution is unknown.

Serbs kidnap families on road into Sarajevo

EMMA DALY
Sarajevo

At least 17 Bosnian citizens, including two children and one woman, have been detained by Serb police while travelling on a road into Sarajevo, according to the Bosnian government, despite Nato's obligations under the Dayton peace plan to provide a safe environment for the free movement of civilians. Officials from I-For (Nato's Implementation Force) have denied receiving reports about alleged abductions. No statement was available from I-For yesterday evening.

Hasan Muratovic, the Bosnian minister responsible for liaison with I-For, said the government had raised the matter with I-For on five occasions: twice through the tripartite Joint Military Commission — one attended by Lieutenant-General Michael Walker, Nato's land commander; twice through letters, the first dated 29 December; and once at a meeting with Nato officers working for Brigadier-General Louis Zeller, French commander in Sarajevo.

Colonel Vladimir Rybnikov, head of UN Civilian Police (Civpol), said he sent a report detailing the incidents to General Zeller on Monday. "What we know at the moment, according to information from the Bosnian liaison office, is that 16 people are missing in the area of Ilidza," Colonel Rybnikov said yesterday, before Mr Muratovic upped the total to 17.

"The response from the Serbian side was that they could not confirm that these people were in prison."

At the police station in Ilidza, one of five suburbs due to revert to government rule, a Serb official told us to return to discuss the issue with the "inspector for strangers". Asked whether any Bosnians had been arrested, he replied: "There is nobody here now." But a senior Serb officer told Colonel Rybnikov he believed the drivers were being held to bump up the numbers for prisoner swaps: "They are looking for more people to put on the list for future exchanges," he quoted the officer as saying.

Mr Muratovic's list includes Mehmed Kusundzija, a truck driver reported missing on Christmas Day with two colleagues. Mr Kusundzija had telephoned his family to tell them he was setting off for Sarajevo, but never reached home. A few days later, the family said, an unidentified man telephoned to say Mr Kusundzija was in good health at the Ilidza police station, and would be released this week. The family heard Mr



Kusundzija's voice in the background, but were not allowed to speak to him.

The Hondo family, including two young children, was detained on 27 December, according to Mr Muratovic. And on New Year's Day, he added, one carload was stopped by Serb police, robbed but then released, while another car, carrying three passengers was taken away.

"They [I-For] must act on this," Mr Muratovic said. The government has urged people not to use routes out of Sarajevo leading through Serb-held territory for the time being, and has asked I-For to reinstate armed escorts with UN peacekeepers through hostile land.

Colonel Rybnikov agrees: on Monday he told General Zeller's chief of staff: "The cancellation of military escorts has come too early. They should resume these operations until someone, the Bosnian government or I-For, has control over this territory."

"All we have at the moment is a report that as yet is unsubstantiated," Brigadier Andrew Cumming, an I-For official, said yesterday. He said the issue was the responsibility of the civilian side of the mission and the local parties. "We are not a police force," he said.

Unfortunately, the civilian mission, led by Carl Bildt, has yet to start work. Meanwhile it appears that I-For does have a clear duty to intervene in such cases. The Dayton peace plan includes a military annex that is very specific about freedom of movement, and which says: "I-For shall have the right to fulfill its supporting tasks... which include the following... to observe and prevent interference with the movement of civilian population."



Rapture: Children in Sarajevo scramble to catch sweets being thrown from a lorry. Photograph: Eric Maru/AP

Bleak new year for Parisians' favourite corner shops

MARY DEJEVSKY
Paris

When the bright little shops that line the streets of every residential district in Paris reopened yesterday after the New Year holiday, there were some conspicuous and uncustomed gaps. After more than 150 years of trading, the Félix Potin chain of groceries — company logo: "Quality since 1844" — has gone out of business.

With 400 shops in and around Paris, Félix Potin had been in financial difficulty for several years. It had been in

receivership since July. But nobody quite believed it would actually close. Its final passing, as well as prompting hagiographic comments on the exigencies of social change and commercial reality, also aroused genuine sadness.

After its bankruptcy was announced on the Friday before Christmas, there was much commiseration from regular customers; many others just dropped in to say "goodbye" and "sorry". Outside one of the oldest stores, in the Marais district of central Paris, a small crowd of people gathered

for a spontaneous wake.

Until recently, Félix Potin was every Parisian's corner shop. It had the herbs you had forgotten to buy for that evening's soup; the salt you had just run out of; the smoked salmon and chilled champagne for an impromptu celebration, and the milk you needed for breakfast. If you wanted a bigger order, it could be delivered to your door. Madame and Monsieur — the shops were often long-standing family concerns — knew their regular customers, their children and their dogs; they were part of the community.

The snags were twofold. While many of the stores remained open until after 7 o'clock at night, that was not long enough for many people, who patronised rival businesses, often run by North Africans and Koreans. And they were expensive; not much more expensive than the immigrant shops, perhaps, but significantly dearer than the bigger chain stores in Paris, like Monoprix or Prisunic, and incomparably dearer than the hypermarkets on the edge of town.

That was why in recent years, except for often elderly and

genteel Paris residents who continued to do their weekly shopping at Félix Potin, they had become shops for emergency purchases only. Much of their staple business had evaporated.

The original Félix Potin seems to have had a touch of Dick Whittington and a touch of the original J Sainsbury. In 1844, at the age of 24, he left the family farm for the capital with the warnings of his father about wicked Parisian ways ringing in his ears. He established a grocery shop to the south of Montmartre which rapidly gained a

reputation for price and quality. With four shops to his name, he set up factories and warehouses of his own. By the 1920s the firm employed more than 8,000 people.

Come the Seventies, the company was in new hands and flourishing again after a period of decline. There were now 1,500 shops; but the death of the owner, the proliferation of corner shops run by new immigrants and the growth of the hypermarkets spelt the beginning of the end.

By 1994 Félix Potin was having difficulty paying its debts; a

rescue plan devised by the receivers over the summer failed, and liquidation became inevitable.

The 1,057 Félix Potin employees are now out of a job. The legal position of those who lived in flats over the shops — or sublet them — is uncertain. For the moment they are having to sit tight, hoping without too much optimism for compensation.

The shops were allowed to trade up until 8pm on New Year's Eve. They offered their last Christmas chocolates and patés with big discounts

characteristic of the bigger, brasher stores rather than their own more refined tradition.

Now, the blinds are down; the logo, "Quality since 1844", reads like an epitaph, and stickers from removal firms and liquidators plaster the windows. In another country, perhaps, Félix Potin would have graduated to become a Sainsbury's or a Tesco, with its big stores nationwide and its own brand labels. But Félix Potin stayed with the small corner groceries — and they became too expensive, even for extravagant Parisians.

Arafat rush to calm poll critics

ERIC SILVER
Jerusalem

The Palestinian central election commission yesterday declared campaigning open immediately for the legislative council elections on 20 January. The commission was reacting with rare speed to criticism by European election observers.

The campaign was originally scheduled to begin last Saturday, but was postponed until 5 January after the council was expanded from 83 to 88 members and new candidates were invited to come forward. Opposition candidates complained the revised timetable limited them to 14 days on the stump. They will now have 18 days.

Mahmoud Abbas, chairman of the commission, announced from his office in Ramallah: "Part of the criticism will be repaired straight away. All candidates will be allowed to start campaigning from today."

Mr Abbas, known by his



Independent voice: Hanan Ashrawi campaigning in the elections yesterday

nickname Abu Mazen, said he would be happy to meet the head of the European Union Electoral Unit, Carl Lidbom. The EU has 200 observers in the field with 100 more on the way. Mr Lidbom, a former Swedish ambassador to Paris, had complained that his requests for a meeting had been ignored.

Mr Lidbom accused the Palestinian National Authority of irregularities, which threatened the credibility of the elections. He urged the Palestinian leader, Yasser Arafat, to "take urgent steps to try to build public and international confidence in the election process."

He questioned the political independence of the election commission, which is dominated by representatives of Mr Arafat's Fatah party, and the criteria by which seats were assigned. Gaza City, for instance, has 14 per cent of the seats, though fewer than 10 per cent of the voters.

Last night Mr Lidbom welcomed the decision to open the campaign. "That takes care of the most important part of my criticism," he said. "I said they had to stop changing the laws and regulations all the time. It's important that the rules should be maintained until polling day so that people know what is valid or not."

The Palestinians are highly sensitive to international criticism. Mr Arafat, who is certain to win, is anxious to show the world he has the backing of Palestinian people in making peace with Israel.

Hanan Ashrawi, a former spokeswoman for the Palestinian peace negotiators, put the confusion down to a mixture of "lack of experience, inefficiency and lack of time", as well as the continued involvement of Israel.

"These are not your normal elections", added Dr Ashrawi, who is running as an independent to represent Jerusalem. "There have been sudden changes without notification. The election commission has no direct contact with candidates. Quite often the local election committees don't have the facts. Time was always short to get to know your constituency and get a debate going. But now things are clearing up and hopefully we can proceed."

Wife reveals the 'caring' Zhirinovskys

Helsinki (AP) — He would rearrange the borders of Europe without batting an eyelid, but at home, Russia's Vladimir Zhirinovskiy is so subdued by "asks others before changing the television channel", his wife said yesterday.

Galina Lebedeva, 48, married for nearly 25 years to the infamous Russian politician, said her mate was "very quiet and peaceful", a warm and loving man who was "crazy about his work" but misrepresented by biased media.

"He never makes any noise at home, he walks around in soft slippers and a jogging suit. He even watches television quietly," Ms Lebedeva, a biologist, told reporters during a private trip to Finland. "He is very considerate to his family, he never forgets a birthday or an anniversary."

Tobacco giants hit back

DAVID USBORNE
New York

Five major tobacco companies submitted documents to the US government yesterday contending that it is acting illegally and in violation of the constitution by trying to regulate the cigarette industry for the first time to regulate cigarette sales to the public.

The response, made to the Food and Drug Administration (FDA) hours before a deadline for comments on its plans for new controls on sales of cigarettes to minors, is the latest salvo from the industry as it tries to counter the momentum created by the anti-smoking lobby in America.

In a critical departure from past policy, the FDA announced last summer that it was proposing regulations to try to limit the access of minors to tobacco products. It defended its decision on the grounds that new research had pointed to cigarettes being drug-delivery

devices and therefore liable to the same controls as narcotics.

Specifically, the FDA said it would ask manufacturers to spend \$150m (£97m) a year on advertising to warn young people of the dangers of smoking. The sale of cigarettes from vending machines would be banned, as would cigarette advertising in locations deemed to be frequented by young people.

The FDA proposal drew public endorsement from President Bill Clinton who made its implementation a high priority. While smoking among American adults has been declining in recent years, it is on the rise among minors. According to latest estimates, more than 3 million American adolescents are regular smokers.

"What the FDA proposes is a power grab," the tobacco companies protested in yesterday's 2,000-page document. They argue that the FDA's proposals are illegal under the constitution and unnecessary

because most states already control sales to minors.

Among the companies that made the response is Brown & Williamson, a subsidiary of British American Tobacco. The others were Philip Morris, RJ Reynolds, Lorillard Tobacco and the Liggett Group.

The FDA has also received large submissions from anti-smoking advocates who support the move but would prefer its provisions to be much stricter. It is likely to be months before the FDA is able to make final preparations for enacting the rules. In the meantime, the tobacco industry has taken steps to try to block the FDA's path by filing a lawsuit.

Central to the industry's case is its claim that the FDA is mistaken in suggesting that cigarettes fit the legal definition of a drug, and that the effects of smoking fit the definition of addiction. On that basis, it contends, the FDA has no right to try to regulate cigarette sales.

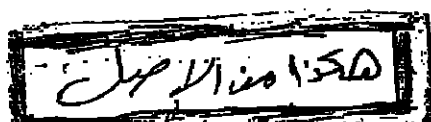
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Right wing takes stock: 'Dark Ages Weekend' chews over the problems of turning Newt Gingrich's revolution into reality

US Republicans try to recapture the past

JOHN CARLIN
Washington

Sobered in 1995 by the discovery that democracy is not conducive to revolution, a group of leading Republicans spent the New Year festivities in nostalgic recollection of an era when the business of government was accomplished by royal fiat.

More than 300 conservative congressmen, businessmen and thinkers gathered at the Doral Golf Resort and Spa in Miami for an event called the Dark Ages Weekend. The name was chosen as a spoof — "to show we

Republicans have a sense of humour", as one Congressman explained it — on a New Year's bash attended by President Bill Clinton called the Renaissance Weekend.

The organisers of the Dark Ages event, a couple of young Washington lawyers, provided guests with plenty of jolly, Old World amusement: a Charlemagne tennis tournament, a William the Conqueror golf competition, a masked ball and a Canterbury Tales banquet.

But the mood was rueful: December had been a cruel month. For the truth had dawned that

Newt Gingrich's plans "to change the world" and "shift the entire planet" had been thwarted by checks and balances in the constitution and the democratic imperative to pander to the vagaries of public opinion.

The revellers used the Dark Ages Weekend as an opportunity to regroup, take stock, evaluate. But the last thought on anybody's mind was that the time might have come to re-evaluate Republican goals. The sacred task remained the same: to destroy "the Liberal Welfare State" and return to the individual right to shape his own

destiny alone. The problem, they concluded, lay in the way the Second American Revolution had been packaged.

The debate turned less on the substance of Republican ideas than on how to sell them better. Thus Ralph Reed, the secularly ambitious head of the Christian Coalition, said the Republicans should shift the rhetorical emphasis away from dismantling central government to restoring power to the states and to the people.

Michael Huffington, who vainly spent \$25m in 1994 trying to win election to the Sen-

ate, elaborated in a speech on Mr Reed's idea. "If you don't use the right words you can't get the message across. Clinton is using more effective words than the Republicans. Clinton is a better communicator. Now, if Ronald Reagan were our leader, we'd win the battle."

Laura Ingraham, one of the organisers of the powwow, noted that while conservatives were driving the nation's political discourse, they had lost their edge in the debate. "President Clinton," she noted, "has captured words like compassion."

Lurking, unspoken, over the

proceedings was the shadow of Mr Gingrich. It was he who had masterminded the Republicans' victory in November 1994 by tutoring party candidates in the semantics of power. Thus he taught them to attribute to their cause words like "courage", "family" and "peace" and to their Democratic rivals words like "sick", "corrupt" and "stagnation".

Yet today, with Mr Gingrich's negative poll ratings exceeding 60 per cent, a growing number of Republicans are beginning to wonder whether he might be a better professor than a leader,

whether perhaps he might turn out to be his revolution's greatest liability. Which is why he too has been engaging in a little end-of-year self-flagellation. In a weekend interview with CNN he acknowledged he had not projected himself as well as he might have and said his New Year's resolution would be to adopt a more thoughtful and contemplative approach to life.

He had erred, for example, in complaining publicly about seating arrangements on the flight to Israel for Yitzhak Rabin's funeral. "There's no question

that there are times, as I've described it, where it's like throwing an interception straight into the other team's defence. And on several occasions, and that's one, I did things that weren't right."

He meant henceforth, he said, to listen more carefully, to be more precise and more thoughtful in what he said. "You know, I'm the Speaker of the House. I'm not an assistant professor of history. I'm not an analyst. I'm not a commentator. And I think at times I've tried to play other roles, and it's almost always been wrong."

Fatal fire reveals price of China's boom

TERESA POOLE
Peking

The human cost of southern China's export-driven economic success rose again this week when a fire in a Christmas decoration factory killed 19 workers in the Shenzhen special economic zone, bordering Hong Kong. This latest tragedy came despite a two-year-old government drive to enforce better health and safety standards in foreign-owned enterprises.

The blaze at the Taiwanese venture started early on Monday and lasted more than three hours, destroying over 3,000 square metres of factory workshops and workers' dormitories. At least 37 workers at the Longhua town site were also injured.

Two years ago, a series of fires in southern China shocked Peking into trying to improve safety for the millions of migrant Chinese workers who staff the export-driven enterprises, often working in sweat-shop conditions. But all too often, bribery and corrupt practice mean that safety regulations are flouted.

In November 1993, a fire at the Hong Kong joint-venture Zhili toy factory in Shenzhen killed 57 workers and injured 47. The victims, almost all migrant female workers, had been locked into their dormitory building because the owners were concerned about possible thefts. They had no chance of



Counting the cost: Police and rescue workers inspect the rubble after a fire at a Taiwanese-owned factory in Shenzhen killed 19 and injured 37

Photograph: David Wong/Reuters

escape. A month later, a fire at the Taiwanese joint venture Gaofu Textiles factory in Fuzhou killed 61.

Among those later jailed for their part in the Zhili factory tragedy were two Shenzhen fire officials who had been

bribed into letting the enterprise pass its fire inspections.

Dangerous conditions are no deterrent to unemployed rural workers who eagerly seek work in joint-venture factories. Salaries probably average around 500 yuan (£40) a month,

significantly more than these workers could earn in their home provinces.

After the 1993 deaths, the Chinese government introduced regulations forcing foreign joint ventures to set up branches of the government-

controlled, All-China Federation of Trade Unions (ACFTU). However, in China's own unionised state enterprises, the health and safety record is also poor. Statistics are difficult to obtain, but according to the Ministry of Labour there were

28,200 industrial fires in the first 10 months of 1993, killing 1,480 people and injuring 51,340.

A new wide-ranging labour law came into force a year ago as the government tried to respond to growing labour unrest, in foreign-invested factories

and in state enterprises. The law is supposed to safeguard rights to minimum wages, overtime, and basic working conditions, but in many areas local officials remain reluctant to enforce the regulations out of fear of frightening away foreign investment.

Opium warlord loses last battle

Bangkok (Reuters) — Burmese troops have taken over the headquarters of the opium warlord Khun Sa in a move which some former associates said yesterday signalled his surrender and the end of his career as one of the world's most infamous drug barons.

Civilians in the jungle stronghold of Ho Mong on the edge of Burma's eastern Shan state, about 30 km (19 miles) from the Thai border, said Burmese troops met no resistance when they entered the town on Monday morning. The whereabouts of the 61-year-old Khun Sa were not known but former associates were convinced that the guerrilla commander had made a deal with Burmese authorities.

"Khun Sa seems to have reached a secret deal with the Burmese, first to hand over his troops and territory to them, then announce a surrender, which would mean he would be granted an amnesty and live peacefully for the rest of his life," one veteran Shan nationalist politician said.



Regular army: Khun Sa addressing his troops at a military base inside Burma last year Photograph: Reuters

A former official in Khun Sa's guerrilla organisation, said: "Khun Sa is making a dirty move at the end of his career. Most guerrilla officials and fighters in Khun Sa's Mong Tai (Shan state) army had quietly left the town by the week-

end, one civilian said by telephone from Ho Mong.

"The district headman told us a few days ago that the Burmese were coming to run the town and they told us not to be afraid because they are coming as friends," he said.

Khun Sa has been indicted in the United States on drug-trafficking charges and Thailand has said that he would be extradited if he were ever found on Thai soil.

Burma's military government had condemned him as a drug-running "terrorist" and said it would put him on trial if he was caught.

Khun Sa has long claimed to be a nationalist fighting for the independence of Burma's Shan people. He said he only taxed opium traders moving through his zone of control to finance his political battles. His was the most powerful guerrilla force still fighting the Rangoon government, but last June several thousand fighters, led by young Shan nationalists, broke away, complaining he was devoting too much attention to the drug trade and was neglecting political objectives.

Last November, a dejected Khun Sa officially stepped down as commander saying that he had lost heart since the defection.

Army dismisses Black Watch 'link to Triads'

STEPHEN VINES
Hong Kong

The British forces garrison in Hong Kong has categorically denied reports, which appeared in some British newspapers yesterday, alleging that members of the Black Watch regiment were under investigation for links with Triad criminal gangs, and that soldiers had been brought back to Hong Kong to help police investigations of Triad activity.

The reports stated that the servicemen would receive immunity from prosecution in return for helping the police.

A statement issued from the garrison headquarters said: "There are no investigations into links between soldiers serving in the Black Watch regiment and organised crime syndicates. No soldiers from that regiment have been brought back to Hong Kong for interview in con-

nection with that, or any other investigation. No certificate of immunity from prosecution has been issued to any member of the Black Watch."

Both the Hong Kong police and the colony's powerful Independent Commission Against Corruption have confirmed the garrison's denial of the story.

The statement from the Army, made in uncharacteristically blunt language, "deplores in the strongest possible terms this disgraceful example of unprofessional journalism."

The report originated in Hong Kong's *Eastern Express* newspaper, which, says the statement, published its story "despite a categorical on-the-record statement from this headquarters maintaining that the story was unfounded."

The story was splashed across the *Eastern Express* front page on Monday but was not fol-

lowed up by the other Hong Kong media. News agency reports then gave it international prominence.

Last night an Army source conceded that soldiers may, on occasion, have moonlighted as bouncers at nightclubs in the once notorious red-light Wan-chai district, where some of the clubs are known to have ties to organised crime.

However, such activity is far removed from the original, lurid media report, which said that members of the Scottish regiment "were ultimately admitted as low-ranking members of the Triad."

The Black Watch finished its last tour of duty in Hong Kong in August 1994. The regiment will return in February next year in order to take part in the ceremonies that will mark the end of British colonial rule and China's resumption of sovereignty on 1 July.

IN BRIEF

Union leader freed

Lagos — Nigeria freed four political detainees on New Year's Day, newspapers said yesterday. The former leader of the oil union Nupeng, Warieba Agamene, who led oil workers on a long and crippling strike in the summer of 1994 to press for the release and installation of the presidential claimant Moshood Abiola as head of state, was among those freed. Chief Abiola's publicity aide Fred Eno, oil unionist Ade Lomo and Sylvester Akhaine-Odion, secretary-general of the Campaign for Democracy (CD), were also freed. *Reuters*

Papandreou move

Athens — Senior Greek socialist party members called for the immediate replacement of ailing premier Andreas Papandreou, saying he could not resume his duties after 44 days in hospital on life support machines. "We must immediately elect a new prime minister as health reasons exclude the political presence of Andreas Papandreou," socialist deputy Spyros Kaloudis said. *Reuters*

Flood havoc

Jakarta — Floods caused by heavy rains have killed 14 people and forced 120,000 others to flee their homes in Indonesia's northern province of Aceh, the official Antara news agency reported yesterday. *AP*

Minister quits

Vienna — Finance Minister Andreas Staribacher resigned after nine months in office, saying he was disillusioned with the way Austrian politics tackled problems. Mr Staribacher, 38, said in a statement he wanted to return to his previous job as a tax accountant. *Reuters*

Ramos 'plot'

Manila — Philippines security forces said they had arrested another group of foreign Muslim extremists and accused them of plotting to kill President Fidel Ramos and his top generals. One of the suspects was linked to Ramzi Ahmed Yousef, on trial in New York in connection with the 1993 bombing of the World Trade Center. *Reuters*

Iranian protest

Tehran — About 2,000 demonstrators burned coffins and chanted "Death to America" in an anti-US rally in Tehran to protest at moves in the US Congress to fund covert activities against Iran. *Reuters*

Unhappy New Year

Madrid — A 58-year-old woman choked to death on the 12 grapes Spaniards eat at midnight on 31 December as they make their New Year's wishes. Her husband called an ambulance but paramedics were unable to revive her. Spaniards swallow one grape with each stroke of midnight on New Year's Eve. In Japan traditional New Year delicacies, sticky rice cakes, claimed at least four victims in 1996's first two days when aged people choked on them. *Reuters*

Nigerian minorities claim oil wealth as stolen birthright

Port Harcourt — Like many of the Calabari people in eastern Nigeria, Dennis Dikio has been lured from the traditional livelihoods of fishing and farming by the prospect of greater wealth in Port Harcourt, capital of Rivers state and the oil-centre of Nigeria.

Whether he enjoys a better life than he would at home is hard to say, but his job as a night telephonist in one of the city's big hotels has given him a taste of the urban dream and he means to pursue it.

As Mr Dikio's shift moves into the small hours and calls become fewer, he finds himself talking politics with his colleague, Benjamin, a member of another minority — the Ogoni. In recent weeks, the subject of Ken Saro-Wiwa's execution has been uppermost in their con-

Ken Saro-Wiwa's death has put the rights of regional groups back on the political agenda, writes David Orr

versation. Saro-Wiwa, who was hanged with eight other civil rights activists by Nigeria's military government, had long campaigned for the economic and environmental rights of the Ogoni.

"Ken's death on behalf of the Ogoni people has brought their plight to the attention of the outside world," Benjamin said. "Perhaps it will raise awareness of the problems facing other minorities in this country."

Dennis would like to agree. As far as he is concerned, the Calabaris, like the Ogonis, are being cheated of their birthright — the oil wealth which lies beneath their land — by the multinational oil companies and by a government dominat-

ed by the majority tribes. "We need someone like Ken Saro-Wiwa," he said.

"He was a great man and I admired him. But he was fighting for the Ogonis, not for anyone else. We have no Calabari rights movement. Our region isn't as badly off as Ogoniland — for a start, we have electricity. But there is environmental damage caused by oil and we don't get much compensation. People express their dissatisfaction in private. But we're too afraid to hold public meetings."

The main ethnic groups in Nigeria are the Hausa-Fulanis in the north, about 22 million; the Yorubas in the south-west, about 17 million, and the Ibos

in the south-east, about 15 million. In all, there are more than 45 separate ethnic groups and as many as 250 distinct languages.

The Ogonis have been the most vocal and politically active minority in recent years. But there are a number of other groups in the south which are also pressing for some degree of political autonomy. Among the more prominent of these minorities are the Ijaws, the Urhobos, the Edos, the Ibibios, the Efiks and the Annangs.

Such minorities found their traditional ways of life threatened after the discovery of oil in the Niger Delta region in the late-1950s. With the beginning of large-scale production of

crude oil in 1973, the farming of cash crops such as palm oil declined and thousands of miles of oil pipelines invaded the landscape.

Nor have the minorities benefited greatly from the discovery of oil. The profits go straight to the government, in which ownership of all federal lands containing minerals is vested, or to oil companies such as Shell, Elf and Chevron, which operate in joint-venture partnerships with the state petroleum company. Few good oil jobs are held by the inhabitants of the oil-producing areas.

"We're not fighting for separate countries," Alfred Ilere of the Ethnic Minority Rights Organisation of Africa said.

"We're campaigning for control of our economic resources and also for control of such things as health and education."

"What we want is a return to the genuine sort of federalism which existed in Nigeria before the military first seized power and turned the country into a unitary state in 1966."

Mr Ilere would like to see Nigeria reverting to the system of revenue-sharing introduced by the British colonial government in 1946. This system, which existed until the end of the Biafran civil war in 1970, ensured that 50 per cent of profits earned from mineral resources went to the region where they were mined.

With more than 80 per cent

of Nigeria's foreign currency earnings coming from oil production, however, there is little chance that a military government driven by the self-interest of a few powerful men is likely to accede to the demands of minorities bent on regional and economic self-determination.

It was out of fear of the Ogoni campaign for more autonomy spreading to the system of minorities that the President, General Sani Abacha, dealt so ruthlessly with Saro-Wiwa and his fellow activists. Whether their executions have the intended deterrent effect remains to be seen.

Some of the minorities have militant movements campaigning for their rights, but none is

so powerful as Saro-Wiwa's Movement for the Survival of the Ogoni People — and that has been effectively driven underground.

Many of its leading members have been detained or otherwise persuaded to keep their silence. A number of Ogoni chiefs have been bought out by the government with a combination of threats and bribes.

Nigeria's minorities know they are unlikely to win many concessions from the military regime, which in October pledged to stay in power for another three years.

But even if the death of Saro-Wiwa has not given them new hope, there are many minority-rights supporters who realise that it has brought their grievances to the top of the political agenda.

obituaries / gazette

Emmanuel Levinas

Jewish philosophers in the modern world have been many, but few have been inspired specifically by Judaism. Emmanuel Levinas began his philosophical career as a brilliant expounder of the phenomenology of Husserl and Heidegger, but he developed into a leading philosophical expounder of Judaism for the modern world.

Even more remarkably, he based his exposition not on Jewish mysticism (regarded by many, because of the labours of Gershom Scholem, as Judaism's main neglected treasure), but on the much more central and characteristically Jewish tradition of the Talmud. After so many centuries of denigration, after the defacements and burnings of Christian censors, the Talmud was brought forward by one of the acutest minds of the 20th century as the corrective to the solipsism and sterile "totality" of Western philosophy from Plato to Hegel.

Levinas was born in 1906 in Lithuania. From 1923, he studied in Strasbourg, and later in Freiburg with Husserl and Heidegger. He became a French citizen in 1930, and was called up to army service in 1939. This saved his life. When he was captured by the Germans, his French uniform kept him from the gas chambers that claimed all his Lithuanian relatives. His wife and daughter were hidden and saved through the help of a French friend, Maurice Blanchot, in a Roman Catholic monastery near Orleans. The memory of the Nazi Holocaust dominated his thought, informing his enquiries into the ways in which the "other" became depersonalised.

His first book was *The Theory of Intuition in Husserl's Phenomenology* (1930), based on his doctoral dissertation at Freiburg. This book, and his translation of Husserl's *Cartesian Meditations* (1931), introduced French readers, notably to

Sartre, who acknowledged his debt to these works. Yet Levinas wrote of his "profound need to leave the climate of Heidegger's philosophy", while continuing to build on basic Heideggerian insights. His new application of these influenced the deconstruction of Jacques Derrida, who wrote, "The thought of Emmanuel Levinas can make us tremble. At the heart of the desert, in the growing waste-



Levinas: making us tremble

land, this thought which fundamentally no longer seeks to be a thought of Being and phenomenality, makes us dream of an inconceivable process of dismantling and dispossession." In 1947, Levinas became the director of the Ecole Normale Israélite Orientale, a Jewish school which was part of the Alliance Israélite Orientale, an educational organisation for Jewish communities in France and French Africa. Levinas was a practising Jew, who, in the midst of intense philosophical activity, continually served the Jewish community. At the same time, he sought to increase knowledge of Judaism among French intellectuals, who attended his famous Talmudic lectures with amazed appreciation of a treatment that fused traditional textual study with state-of-the-art philosophy. Some of these lectures were published in his *Quatre lectures*

talmudiques (1968) and later collections. Levinas also lectured in philosophy at the University of Paris at Nanterre.

Among Levinas's major writings were *De l'existence à l'existant* (1947), *Totalité et infini* (1961), *Difficile Liberté* (1963). His influence, great in France, was extended to the English-speaking countries from the Seventies onwards by translations of his works, by publication of interviews with him, and by the expository work of disciples, including Richard A. Cohen and Susan Handelman.

The philosophy of Levinas is driven mainly by ethical concerns. He sees ethics as grounded in a true appreciation of the separate reality of "the other". In his denial of monism, or schemes of "totality" (which he regarded as leading to totalitarianism in politics), he opposed both idealism and positivism. Whereas many nowadays use his term "the other" mainly negatively (as a weapon in the battle against xenophobia), Levinas used it positively, to express the separateness without which there can be no love. Here he followed the Talmudic axiom, "Every person is a separate universe."

The chief influence on Levinas, in Jewish philosophy, was Franz Rosenzweig. But Levinas developed many original insights, for which he created a new philosophical style, working by nuanced repetition. His treatment of historicism, and his concept of "eschatology", are permanent acquisitions for philosophy, enabling it to escape from formulaic unity into a world of fecund plurality.

Hyam Maccoby

Emmanuel Levinas, philosopher: born Kaunas, Lithuania 30 December 1906; Director, Ecole Normale Israélite Orientale de Paris 1947-61; married 1930; *Raisa Rachel* (one son, one daughter); died Paris 25 December 1995.



Sinclair (centre) with James Earl Jones and Sheila Johnson in *Coming to America*, 1988

Photograph: Ronald Grant Archive

Madge Sinclair

Madge Sinclair is best remembered for her portrayal of Kunta Kinte's wife, the house slave Belle whose only child, Kizzy, is sold to another plantation owner in the epic television drama *Roots* (1977). Her performance earned her an Emmy nomination; a long career in American television followed.

Born in Kingston, Jamaica, Sinclair was educated at the Shortwood College for Women and taught in schools in Jamaica until she was 30. Moving to New York, she acted with the New York Shakespeare Festival and at Joseph Papp's Public Theatre. She made her film debut with an impressive performance as Mrs Scott, the single-minded South Carolina school principal who clashes

with Jon Voigt in Martin Ritt's *Coal Miner* (1974). Other film roles included the madame of a bordello in *Leviathan* (1976), the captain of the USS *Saratoga* in *Star Trek II: The Wrath of Khan* (1978) and as Eddie Murphy's mother in *Coming to America* (1988). In 1994 she was the voice of the lion queen in Disney's smash hit animated feature *The Lion King*.

Television provided Sinclair with numerous roles. She appeared in everything from *The Waltons* to the made-for-television feature *I Know Why the Caged Bird Sings*, adapted from Maya Angelou's eloquent autobiography. Sinclair once said: "Some people get snooty about it, but I like working for television. I can finish something and see it the next week." For her regular role as the undisciplined nurse Ernestine Shoop in the popular drama series *Tripping the Hook*, M.D., a spin-off from *M*A*S*H*, Sinclair was nominated for three Emmy awards. She won a Los Angeles regional Emmy for the 1987 drama *Look Away* in which she portrayed the former slave who was Mary Todd Lincoln's dressmaker. More recently she won another Emmy for her role as James Earl Jones's love interest in the ABC series *Gabriel's Fire*. In 1994 Sinclair was featured in the miniseries *A Century of Women*.

Stephen Bourne

Madge Sinclair, actress: born Kingston, Jamaica 28 April 1940; married (two sons); died Los Angeles 20 December 1995.



Cripps: the epitome of Millwall

fourth and third divisions, in 1965 and 1966. Thereafter he was a model of consistency, enjoying a stint as skipper, holding the club's appearance record for a spell and still being an important member of the side when Millwall just missed reaching the first division in 1972.

After that the ageing Cripps switched to midfield, where his lack of pace was less exposed, until he moved to Charlton Athletic in October 1974. That term he helped his new club reach the second division, subsequently serving them as assistant manager to Andy Nelson.

In later years Cripps managed non-league Barking, was no 2 to his old friend Bobby Moore at Southend, coached a variety of amateur sides and worked in insurance. But it is as the very epitome of Millwall FC that 'Arty Boy's' place in football folklore is assured.

Ivan Ponting

Harry Richard Cripps, footballer: born East Dereham, Norfolk 29 April 1941; played for West Ham United 1956-61, Millwall 1961-74, Charlton Athletic 1974-75; died 29 December 1995.

Professor Robert Heuston

The death of Robert Heuston is a serious loss to English legal history. As the author of *Lives of the Lord Chancellors, 1885-1970*, he is the re-founder of judicial biography as a respectable art form.

Although on first meeting a shy, even austere man, Heuston was a delightful, witty and insightful companion. He was also a devoted teacher. Generations of undergraduates at Pembroke College, Oxford (where he was a Fellow from 1947 to 1965), remember him as the proverbial guide, philosopher and friend - and sometimes rather intimidated dean. His time as the college's first Law Fellow ensured an eminence to law teaching at Pembroke which was continued by his successors - Dan Prentice and John Eckelaar. He loved the college's traditions and he enjoyed and savoured those same traditions at Trinity College Dublin, where he moved as Regius Professor in 1970, after five years as Professor at Southampton University.

Intellectually, Heuston was probably a transitional figure in both the study of law and of legal history. His successive editions of *Salmond on Torts* showed a growing breadth of interest outside mere black letter law. Inevitably, however, his tentative steps towards a more

contextual approach tended to be overshadowed by the work of P.S. Atiyah and the disciples of the American law and economics schools. At the same time, his contributions, through the 10 editions from 1953 to 1992, were of great significance to academics and practitioners in both United Kingdom and the Commonwealth.

As the years progressed his interest in legal history grew. He is known chiefly for his continuation of Atiyah's *Lives of the Lord Chancellors*. In a 1964 volume he brought the history up to 1940 and in his 1987 volume up to 1970. His somewhat gossipy, albeit deferential, style made his books especially popular with bench and bar. His volumes probably had less acclaim among the newer generation of legal historians who tended to be more analytical and less deferential. Robert Heuston himself was, in return, somewhat sceptical of the more controversial approach and proudly eschewed reading the more "advanced" social science contributions to the ongoing evolution of legal history.

Heuston was a son of the Protestant Ascendancy. His concern about the "betrayal" in 1922 and the contribution of the Castle Catholics influenced generations of his students. His

lectures at Oxford on constitutional law, borne out by his Irish background, were thought by some to verge on the iconoclastic. This was particularly true for his views on fundamental law - views which, one might add, would now find at least some favour with a Laws or a Woolf.

His reputation extended through the common law world. A member of the Law Reform Committee in both England and Ireland, he had been Visiting Professor at the University of Melbourne and British Columbia as well as the Australian National University. His work has now been cited in most common law jurisdictions.

He married Bridget Bolland, widow of Neville Ward-Perkins, his economics colleague at Pembroke, in 1962, and became a successful father to her four children. His wife's illnesses, at their retirement home at Navan, north of Dublin, were a great sadness to him and kept him away from the legal institutions he loved so much. He was proud of being both a Honorary Bencher of Gray's Inn and King's Inns, Dublin, and deeply touched by being a made a QC last spring. It was a fitting tribute to a man who has done so much for his profession - and his friends.

Robert Stevens



Heuston: gossipy

Robert Francis Vere Heuston, legal scholar: born Dublin 17 November 1923; called to the Bar, King's Inns 1947; Gray's Inn 1951; Fellow, Pembroke College, Oxford 1947-65 (Honorary Fellow 1982); Dean 1951-57, Professor 1957-63; Professor of Law, Southampton University 1965-70; member, Law Reform Committee (England) 1968-70; (Ireland) 1975-81; Regius Professor of Laws, Trinity College Dublin 1970-83; Arthur Goodhart Professor of Legal Science, Cambridge 1986-87; honorary QC 1995; publications include *Salmond and Heuston on Torts* (as editor), 11th edition 1953 to 20th edition 1992; *Lives of the Lord Chancellors*, vol 1 1885-1940 1964, vol 2 1940-70 1987; married 1962 Bridget Ward-Perkins (née Bolland); died Navan, Ireland 21 December 1995.

Lindsay Boynton made an important contribution to the study of furniture history and helped develop the subject as an academic discipline. He was a pioneer in establishing the study of the decorative arts in British universities, demonstrating through his meticulous scholarship that the history of furnishings and interiors was a natural complement to architectural history both in visual - that is to say art-historical terms - and as a substantive part of social and economic history. In 1964 he was the principal founder of the Furniture History Society; he acted as its Honorary Secretary until 1981.

Boynton began as a Tudor historian at Leeds University from 1958 to 1966, publishing his book *The Elizabethan Militia* in 1967. His interest in furniture was already evident, as in 1965 he had published the first of many erudite articles in *Furniture History*, on "The Bed-bug and the Age of Elegance".

In 1966 Boynton moved to Westfield College, London, where in 1972 he became a Reader in History. He published numerous articles on furniture-makers and designers including Thomas Chippendale, Ince and Mayhew and Sheraton. He developed two innovative courses in the study of furniture and interiors, 1600-1800, and their

relationship to architecture in Britain and Europe which helped develop an interdisciplinary approach to the study of visual culture.

His interest in social history focused on the travel diaries of the Worsley family in the 18th century. Boynton established Sir Richard Worsley, British Resident in Venice from 1793, as one of Britain's most notable collectors of paintings and antiquities. Boynton's elegant writing presented Georgian society entertainingly. He revealed the private life of Lord Burlington and the society scandals of Regency England without passing judgement. But his enthusiasm for the lavish banquets and private musical performances by artists such as Handel betrayed his



Boynton: furniture history

own love of a good dinner and passion for music.

In recent years Boynton concentrated on the Gillow family of furniture designers, working in London and Lancaster in the 18th and early 19th centuries. This huge undertaking began in 1967 when he initiated moves to save an archive of Gillow's business activities from export. He built up an invaluable visual record of the firm's work. Last year saw the publication of the first of two planned volumes on Gillow: *Gillow Furniture Designs 1760-1800*. A complementary study of the history of the firm was in preparation at the time of Boynton's sudden death.

Throughout his career Boynton published regularly on architectural subjects, helped by his partner David Williams at the camera. His last work, which will appear posthumously, was an essay on the Georgian villas on the Isle of Wight, where he spent much of his early life.

Dana Arnold

Lindsay Oliver John Boynton, art historian: born 20 April 1934; Bryce Research Student, Oxford University 1958-59; assistant lecturer in History, London University 1966-72; Reader in History, Westfield College (later Queen Mary and Westfield College), London 1972-95; died London 12 December 1995.

BIRTHS

WALKER-SMITH: On 22 December to Adrian Walker-Smith and Christine Headley, Flora Louise, a sister for Cécilia.

DEATHS

CHEKASKIN: Shura. See Funeral Arrangements.

ELLIOTT: Mark William, on 28 December, peacefully at home in Winchester. Dearest loved husband, father and grandfather. Cremation at Southampton, 2pm, 4 January. Family flowers only. Donations if desired to Cancer Research Campaign, c/o Jno Steel & Son, Chest House, Chest Street, Winchester, Hampshire.

LEWIS: On 22 December, at his home in Linton, Ross-on-Wye, Group Captain John Bowen Lewis, RAF (Retd), aged 79 years. Beloved husband of the late Marian, father of Diana and Angela, and grandfather. Service and interment of cremated remains at Linton Parish Church on Monday 8 January at 12 noon. Family flowers only. Donations in lieu to Herefordshire Tiddling Newspaper for the Blind, c/o William Devan, Funeral Di-

Births, Marriages & Deaths

rectors, 16 Old Gloucester Road, Ross-on-Wye.

FUNERAL ARRANGEMENTS

CHEKASKIN: Shura. All friends are very welcome to attend the funeral service to be held at St George's Church, Hanover Square, London W1, on Monday 8 January at 1pm, to be followed by private burial. No flowers please, but donations for the Musicians Benevolent Fund or the American Friends of the Odesa Philharmonic Orchestra can be sent to Leventon & Sons, 212 Eversholt Street, London NW1 1BD.

For Gazette BIRTHS, MARRIAGES & DEATHS, please telephone 0171-293 2011 or fax to 0171-293 2016. Charges are £6.50 a line (VAT extra).

Mr Nicolas John Mitchell, to be a circuit judge on the Midland and Oxford Circuit.

Mr Stephen Edward Rogers, to be a district judge on the Wales and Chester Circuit.

Mr M.D. Sherrard QC, elected Treasurer of the Middle Temple.

Lord Nicholas of Birkenhead, elected Deputy Treasurer of the Middle Temple.

Mr Ralph Kesteven, re-elected Vice-Chairman of the London Metal Exchange.

BIRTHDAYS

Mr David Atherton, music director, Hong Kong Philharmonic Orchestra, 52; **Mr John Bamford**, former Principal, Lincoln College, Oxford, 75; **Mr Michael Barratt**, television presenter, 68; **Mr Victor Borge**, musician and comedian, 87; **Mr Keith Brookman**, General Secretary, Iron and Steel Trades Confederation, 59; **Sir Robin Butler**, Secretary of the Cabinet and Head of the Civil Service, 58; **Professor Sir Bryan Cargill**, Director General of Fair Trading, 57; **Lord Colyton**, former government minister, 94; **Sir Alastair Forbes**, former judge, 88; **Mr Mel Gibson**, actor, 40; **Mr Richard Hanbury-Tenison**, Lord-Lieutenant of Gwent, 71; **Sir Roy Harding**, educationist, 75; **Mr Robert Hughes MP**, 63; **Mr John Paul Jones**, rock musician and producer, 50; **Admiral Sir Michael Layard**, Second Sea Lord, Chief of Naval Personnel, 60; **Miss Anya Linden** (Lady Salisbury of Preston Candover), former ballerina, 63; **Mr Eric Martlew MR 47**; **Sir Carol Mathew**, former MP, 77; **Mr Siegmund Nissel**, former member of the Amadeus Quartet, 74; **Sir John Riddell**, former royal equerry, 62; **Miss Eilys Roberts**, former deputy director, Consumers' Association, 85; **Mr Graham Ross Russell**, chairman, Securities Institute, 62; **Mr Robert Steedman**, architect, 67; **Mr Matthew Taylor MP**, 33; **Mr John Thaw**, actor, 54; **Mr David Vine**, BBC sports commentator, 60.

Anniversaries

Births: Marcus Tullius Cicero, orator and statesman, 106 BC; Clement Richard Attlee, first Earl Attlee.

statesman, 1883; Herbert Stanley Morrison, Baron Morrison of Lambeth, statesman, 1888; John Ronald Reuel Tolkien, academic and novelist, 1892; Ray Milland (Reginald Truscott-Jones), actor, 1907; Pamela Frankau, novelist, 1908; Deaths: Jeremiah Horrocks, astronomer, 1641; Josiah Wedgwood, potter, 1759; Rachel (Eliza Felix), actress, 1858; Pierre-Athanase Larousse, editor and encyclopedist, 1875; Elizabeth Palmer Peabody, educationist and pioneer of kindergartens, 1804; William Joyce ("Lord Haw-Haw"), British traitor, executed 1946; Conrad Nicholson Hilton, hotel magnate, 1899. On this day: Martin Luther was excommunicated, 1521; George Washington defeated the British army at the Battle of Princeton, 1777; work on the Brooklyn-New York bridge began, 1870; Howard Carter discovered the sarcophagus in the tomb of Tutankhamun, 1924; Sir Edmund Hillary reached the South Pole, 1953. Today is the Feast Day of St Ambrose, pope, St Bertilla of Marcellus, St Genevieve or Genovefa and St Peter Balsam.

Lectures

National Gallery: Norman Coady, "Beyond Europe (I): Van Dyck, William Verelst, 1st Earl of Denbigh", 1pm.

British Museum: Delia Pemberton, "Architecture of Cairo: from antiquity to the Ayyubids", 1.15pm.

Changing of the Guard

The Household Cavalry Mounted Regiment mounts the Queen's Life Guard at Horse Guards, 11am.

Solicitors must pay costs of improper claim

LAW REPORT

3 January 1996

Tolstoy-Milosavlsky v Aldington; Court of Appeal (Lord Justice Rose, Lord Justice Roch and Lord Justice Ward); 13 December 1995

There was no jurisdiction to make an order for costs against a solicitor solely on the ground that he acted without fee. His duty to the court was the same whether he was paid or not, and simply by acting without payment he did not put himself in the position of a "third party funder" of litigation.

The Court of Appeal affirmed, though for different reasons, an order made by Mr Justice Collins on 16 December 1994, requiring the appellants, Shilling & Lom, a firm of solicitors acting for the plaintiff, Count Nikolai Tolstoy-Milosavlsky, to pay 60 per cent of the costs incurred by the defendant, Toby Low, Baron Aldington, in proceedings in which Count Tolstoy had used fraud and perjury to win a libel action in 1990, in which he had been awarded £1.5m in damages and costs against Count Tolstoy and his co-defendant Nigel Watts.

The essence of the libel was that Lord Aldington was a ma-

jor war criminal responsible for the massacre of 70,000 people in May 1945. After a two-month trial, Lord Aldington's reputation was vindicated, but in financial terms it was a Pyrrhic victory: Nigel Watts only paid £10,000 and Count Tolstoy, having had himself made bankrupt, paid nothing. The present proceedings, in which Count Tolstoy sought to set aside the libel judgment on grounds of fraud and perjury, were begun by a writ issued by Shilling & Lom, who have acted for Count Tolstoy since 1991. Legal aid was not applied for and both counsel and solicitors acted for Count Tolstoy free of charge.

Lord Aldington successfully applied to have this action struck out, on the grounds that it was frivolous, vexatious and an abuse of process. He then applied for an order that Count Tolstoy's lawyers pay his costs on the grounds (a) that they were "wasted costs", as defined in section 51(6) and (7) of the Supreme Court Act 1981 (as amended by the Courts and Le-

gal Services Act 1990), which the solicitors should pay, their conduct having been "improper" and "unreasonable"; and (b) that by agreeing to act without fee, the solicitors put themselves in the position of third party funders and should be made to pay the costs pursuant to the general discretion conferred by section 51(1) and (3) of the Act.

The judge rejected the first ground but made his order on the basis of the second ground. *Chy Mansfield QC and Adrienne Page* (Barlow Lyde & Gilbert) for Shilling & Lom; *Charles Gray QC* (Allen & Overy) for Lord Aldington; *Duncan Matheson QC and Gregory Chambers* (Diane Burleigh and Janice Bye) for the Law Society and the Bar Council.

Lord Justice Rose said the judge reached the right conclusion by the wrong route. Section 51(1) and (3) did not confer jurisdiction to make an order for costs against legal representatives when acting as legal representatives. There were only three cate-

gories of conduct which could give rise to an order for costs against a solicitor: (i) if it was within the wasted costs jurisdiction of section 51(6) and (7); (ii) if it was otherwise a breach of duty to the court; or (iii) if he acted outside the role of solicitor.

There was no jurisdiction to make an order for costs against a solicitor solely on the ground that he acted without fee. It was proper and in the public interest for counsel and solicitors to act without fee. Whether a solicitor acted for remuneration or not did not alter his duty to his client and the court, or the absence of any duty to protect the opposing party from a hopeless claim.

The order in this case should have been made under the wasted costs jurisdiction of section 51(6) and (7). The action was a collateral attack on a court of competent jurisdiction and was *prima facie* an abuse. Against the background of the case, the solicitors' conduct was properly to be characterised as "unreasonable". Lord Justice Rose and Lord Justice Ward concurred.

Paul Magrath, Barrister

Harry Cripps

As King Fahd hands over to his half-brother, Fred Halliday explains why Saudi Arabia's hold over the global economy is growing

A kingdom whose power haunts the world

When rumours leaked out in the autumn that King Fahd had suffered a stroke, concern was not confined to Saudi Arabia. King Fahd has now passed the reins of office to his half-brother Prince Abdullah, reputedly on a temporary basis which may well prove permanent. The hand-over to someone of a similar age is a deliberate attempt to emphasise continuity and business as usual: as such it may well succeed. The episode, however, is a reminder of just how important Saudi Arabia is, not only to the Middle East but also to the West.

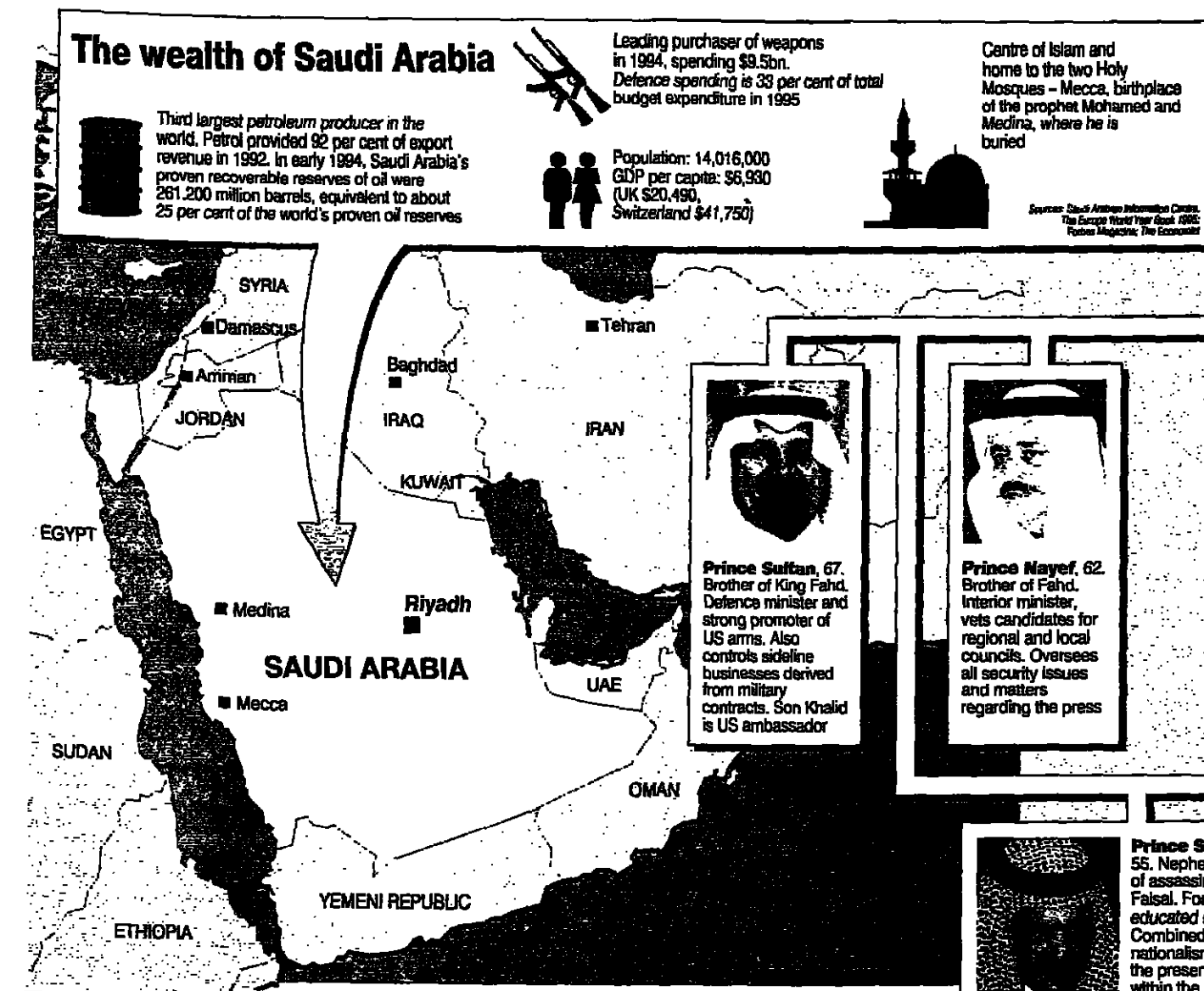
Saudi Arabia, the only state in the world called after its ruler, is a country that has long embarrassed its friends in the Arab world and in the West. It continues blithely to deny that international standards of justice, punishment or human rights are relevant to it: the consultative assembly set up by King Fahd in 1993 has all its members nominated by the monarch, no powers of decision, and meets in secret.

All of this is justified in the name of Saudi "tradition" and of Islam, despite the fact that the tradition is something invented by the male princes of the Saudi family to suit their convenience, and many Muslims, including quite a few inside Saudi Arabia itself, dispute this interpretation.

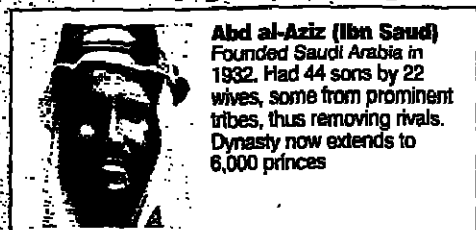
To date, the Saudi royal family has been able to ride out the various storms: repression at home, intrusive and cruel, but mild by the standards of other, more secular and republican regimes in the region, combined with the distribution of wealth, have kept critics at bay. Saudi Arabia allows no foreign correspondents to reside on its soil. Its press at home, and the newspapers and media it controls abroad, put a tame line. Even supposedly independent commercial associates, such as the BBC Arabic TV, find themselves subject to controls by their Saudi associates.

Why has the outside world indulged this curious set-up for the past five decades? Three reasons above all suggest themselves.

One is the role of Saudi Arabia in promoting "Islam". During the heyday of secular Arab nationalism in the Middle East, after the Suez crisis of 1956, Saudi Arabia offered another focus for the Arab and Muslim worlds, one hostile to Communism and to the nationalism of Nasser's Egypt and sundry Ba'athist regimes in Syria and Iraq. Since the rise of the Islamic revolutionary movement in Iran, Saudi Arabia has sought to promote



The Saudi royal family tree



Abd al-Aziz (Ibn Saud)
Founded Saudi Arabia in 1932. Had 44 sons by 22 wives, some from prominent tribes, thus removing rivals. Dynasty now extends to 6,000 princes



Crown Prince Abdullah, 71
Half brother of King Fahd, has now taken over day-to-day running of the government. Commander of the 77,000 strong National Guard



King Fahd, 73
Promoted beneficial links with the West, allowed the US troops to base in Saudi Arabia during the Gulf War. Updated cabinet last year by replacing 16 of 25 members



Prince Salman, 59
Governor of Riyadh, effectively head of intelligence. Also censor of foreign publications and head of cultural affairs



Prince Nayef, 62
Interior minister, vetted candidates for regional and local councils. Oversees all security issues and matters regarding the press



Prince Sultan, 67
Brother of King Fahd, Defence minister and strong promoter of US arms. Also controls sideline businesses derived from military contracts. Son Khalid is US ambassador



Prince Turki al-Faisal, 50
Nephew of Fahd, brother of Prince Saud. Actual head of Saudi intelligence, educated in US. Went to university with Bill Clinton



Prince Saud al-Faisal, 55
Nephew of Fahd, son of assassinated King Faisal. Foreign minister, educated in the West. Combined religion with nationalism by highlighting the presence of Mecca within the kingdom

a more moderate, if still intolerant, face for Islamic movements and has spread money liberally, in the Muslim world and among the offshore *umma* (Islamic communities) of Western Europe, to encourage compliance.

The reasons of state behind appeals to Islamic principle were highlighted during the Gulf war of 1990-1991: three centres of power, Tehran, Baghdad and Riyadh, competed for the influence of Muslims in this struggle. Perhaps the greatest "success" of Saudi support for right-wing causes was in Afghanistan: matching the CIA in its involvement and funding its dollars through the Pakistani military, the Saudis fuelled the Islamist currents opposed to Kabul.

The second reason why Saudi Arabia matters is because of its position in the Arabia peninsula and the Persian Gulf. Useful during the Cold War - for years the largest American base between West Germany and Okinawa was at Dhahran in Saudi Arabia - it

acquired new significance with the rise of Saddam's Iraq and of the Iranian revolution. From the early Sixties onwards, Saudi Arabia helped the West by bullying its poorer neighbours

It continues blithely to deny that international standards of justice are relevant

in Yemen, where nationalist movements were developing. With the fall of the Shah, Saudi Arabia became the most important American ally in this region: and in May 1981, while Saddam was distracted by his war with Iran, the Saudis joined with the five other monarchies of the Gulf to

found the Gulf Co-operation Council.

This club of oil-producing monarchs was designed to exclude not only Iran, a radical non-Arab republic, but also Iraq, whose military and political challenge the Saudis have long feared. This became startlingly clear in August 1990, when Saddam invaded Kuwait.

The GCC is, however, less of a client Saudi body than might appear: some states, notably Oman and the Emirates, continued to trade and negotiate with Tehran during the 1980-1988 Iran-Iraq war, while others, Qatar and Oman, have moved ahead of the rest in normalising relations with Israel. Saudi Arabia continues to proclaim support for Kuwait, but there are tensions beneath the surface. The Kuwaitis do not forget that it was the Saudi tribes, not Iraq, that forcibly annexed two-thirds of their territory in the Twenties; today, some influential Saudis are talking of the need to accept better

relations with Saddam, and to doubt whether, given the domestic tensions it precipitated within Saudi society, it would be worth going to war for Kuwait a second time round.

The third reason why Saudi Arabia matters is, of course, oil - the decisive position of Saudi Arabia in the oil market, the large reserves it contains, and the revenues these reserves will continue to generate. The oil market has a multiplicity of producers, and new states, such as Colombia, are coming on to the market: but while the power of the Opec cartel has continued to decline, that of Saudi Arabia as "swing producer" (ie, as the state with the greatest physical and financial capacity to vary supply) has increased: producing today around 13 per cent of the world total, Saudi Arabia has ensured that oil prices have remained low and stable.

In so doing, it has both paid off the West for its continued military support and

watched while other, more populous states that oppose it - in the past Iraq, today Iran - suffer a fall in revenue. Its position in the oil market is, however, likely to strengthen:

Unless the leading brothers fall out badly, the ruling family can bet on continued state cohesion

with an estimated 260 million barrels, equal to 26 per cent of the world's known reserves, Saudi Arabia will remain vital to the world economy for decades to come.

Oil prices may have been falling since the early Eighties, but on present projections there will come a time,

between five and 10 years from now, when prices will start rising again as production of a commodity the world has not learnt to do without becomes more and more concentrated in the hands of four Gulf producers: Saudi Arabia, together with Kuwait (9.6 per cent of known world reserves), Iraq (9.9 per cent) and Abu Dhabi (9.1 per cent). Whoever controls Saudi Arabia will therefore be the dominant partner in a cartel within Opec that no outside power can ignore.

Little wonder, then, that members of the Saudi elite exhibit both paranoia about external enemies and criticism, and a confidence that few in the world can match. Their greatest fear is that for some reason the cornerstone of their security policy, the US military guarantee, will disintegrate: but despite tensions in the US-Saudi relationship (their ambassador in Washington, Prince Bandar, has spent much of the Clinton years out of town), the import

of the oil market is not lost on the United States.

At home, the balance of piety and indulgence, of development and constraint, will continue. Junior princes may have cornered the market in smuggled alcohol; the armed forces may be unable to confront any of the kingdom's major external enemies; the educated middle classes, especially women, may be restless; but unless the leading brothers fall out badly, the ruling family can bet on the continued cohesion of their state, and on the indulgence of at least part of the population for a regime that has brought more prosperity and stability than many around it.

Until the rest of the world stops driving motor cars, the inhabitants of Saudi Arabia (or whatever the country may be called in the future) will continue to benefit from the double standards of the international community.

The author is professor of international relations at the LSE.



Scouting for Guides?

A presidential slur has been cast on the virtue of the Girl Guides. But it may have been a case of mistaken identities. It was reported around the world yesterday that a Girl Guide handbook had been banned in Kenya, on the grounds that it promoted promiscuity. A morally outraged President Daniel arap Moi pronounced:



Moi: Guidehunter general

"It talks about sex, and I direct that the book be removed from the shelves." Sexual licentiousness is not a charge to which the Guide Association is accustomed. What could the handbook, innocently entitled *Family Life*, possibly contain? "We have no idea. That's just the point - we've never even heard of the book before," explained a distressed spokeswoman for the World Association of Girl Guides and Girl Scouts. The mysterious and problematic *Family Life*, it emerged,

is not published by the Guide Association at all, but by the Girl Guide Association of America. "That is not - and I repeat, not - a member of our organisation," the spokeswoman stressed. "Our ladies in Kenya are very concerned about this. They are great respecters of traditions and cultures, and now all this has happened. We have no idea what this other Guide association is, but we want to protect our good name."

Eagle Eye's inquiries could not unearth a single trace of the rogue Guiding outfit. The "ladies in Kenya" could offer no insights, and the Girl Scouts of America, bona fide representatives of Baden Powell across the pond, professed to be equally baffled.

If there is a fifth column of Guiders dedicated to sullying such a wholesome institution at the highest levels of international politics, Eagle Eye is pledged to hunt them down.

Cuts afoot

If Michael Foot had become Prime Minister, "half of us would be walking around without our testicles". This political analysis is not mine - a *sunshine*-dominated population was one of the few things not promised in Labour's 1983 manifesto - but that of John Sutherland, Professor of English at University College, London.

Last month Professor Sutherland reviewed Michael Foot's biography of HG Wells in the *London Review of Books*. Noting that Wells had publicly advocated concentration camps and sterilisation for undesirables, and that Foot's biography was largely sympathetic, Sutherland

land wrote: "If this represents libertarian socialism, thank God Michael Foot never became Prime Minister: half of us would be walking around without our testicles."

In the issue of the *LRB* out next Friday, Foot replies in high dudgeon, taking on



Testicular ambitions?

Sutherland and other Wells critics, including the late Malcolm Muggeridge, in a letter stretching to well over 1,000 words. He concludes forcibly on the accusation that a Foot government would have had a minister for castrations: "I would not wish to make light of such a prodigious hazard. But if the aforesaid Wellstan-Foot regime had been in existence, he (Sutherland) and his friends, male and female, would have the compensation that they could choose their lovers without fear or favour. Moreover, they could have escaped one world war and possibly two, and the nuclear explosion which might still blow us all into Muggeridge's kingdom come."

This is all very confusing. Can we under a Conservative regime not choose our lovers without fear or favour? Does Mr Foot know something we don't? Or has he been reading too much science fiction?

Censored

The Cabinet papers of 1965, released this week, have thrown up one footnote, which shows that there was a time - clearly before EEC directives - when Prime Ministers were as concerned about the language of policy as the policy themselves.

Harold Wilson's response to the draft of the first (and last) five-year National Plan was conveyed in a short note from his private secretary to the DEA (Department of Economic Affairs) on 5 August 1965: "The Prime Minister was told this morning by a senior minister that the draft of the plan contains somewhere the word 'containerisation'. The Prime Minister found this barely credible but has instructed me to arrange that this word should be banned."

Barely credible perhaps. But, inevitably the word now exists, defined by the dictionary as "to convey cargo in standard-sized containers". National Plan, on the other hand, is not dignified with an entry.

Off key

An opera-goer in Sydney, Australia, was so dissatisfied with the artistic interpretation of

Australian Opera's production of *Nabucco* that he demanded a refund. His complaint was upheld by a consumer claims tribunal, and the company ordered to repay him the cost of his tickets. The incident is deployed by the leader writers of the *Stage*, the showbiz industry's journal, this week: "This is surely a case of consumer rights taken to ridiculous extremes," it says.

Could this mean that Britain's producers are getting worried that a precedent has been set? Eagle Eye is with the consumer on this one. The latest London production of *Macbeth* has Jane Horrocks as Lady M urinating on stage. One for the ombudsman surely.

Cornish bred

The first baby born this year was Annabel Cliff, born 30 seconds after midnight on 1 January in Auckland, New Zealand. No money in that for all the British press agencies on the story. Except the West News press agency in Truro. "Proud parents Blair and Sam Cliff left St Agnes in Cornwall in August, meaning the world's first 1996 baby was conceived on Cornish soil," it proudly reports. That's what I call resourceful.

Eagle Eye



What do you expect? This is Macbeth

Stuart Morris

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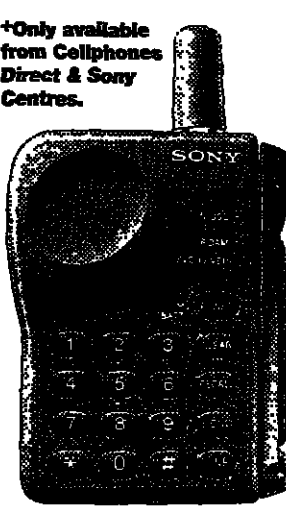
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Hidden cost to the taxpayer

The Government has pulled a fast one on the self-employed. From small shopkeepers to barristers, window-cleaners to computer consultants, the self-employed may have felt daunted by the administrative changes in tax assessment to be introduced next year. But what few will have realised is that hidden behind the technical changes is a tax hike in 1998/99 of £850m, according to the Treasury's own figures.

The detail of the change is fiendishly complicated. But, in essence, most self-employed people will, in future, pay tax on a higher assessment of income than under the old system. Instead of being taxed, as now, on income earned a few years ago, they will be assessed on current earnings, which will usually be higher.

Adding insult to injury, the self-employed are also being asked to do the Inland Revenue's job. In future, they will fill in tax forms and work out their tax liabilities themselves. Known as "self-assessment", it will quickly be seen as yet another job creation scheme for accountants.

Arguably, all this makes for a fairer, simpler tax system. It does seem odd that the self-employed get to delay their tax payments with all the advantages that entails, while most employees have to pay month by month, or week by week, as they earn. But if the Government really felt that the self-employed were not paying their fair share in tax, ministers should have made their views public. Instead, they have secreted away a tax increase – amounting on average to over £200 a self-employed person – behind an apparently innocuous bureaucratic reform.

Indeed, in recent months the Chan-

cellor, Kenneth Clarke, and colleagues have led us to believe that they are on the side of hard-pressed small businesses. Speech after speech heralds the self-employed as the engine of the economy, who need encouragement not punishment from the tax system. In November's Budget, for example, small businesses were given special treatment over their business rates.

The self-employed generally face greater risks than the rest of the working population. They have to worry about managing their own business as well as working for it. An economy that relies on their enterprise needs a tax regime that recognises these risks. And a government that seeks to promote that enterprise should not surreptitiously change the rules.

Once the true nature of these measures is discovered, the Government can expect a hostile reaction. The self-employed were a bedrock of support for the Conservatives during the Eighties. They will feel badly let down. In a Budget characterised by small tax cuts for most people, the Government, in a backhanded manner, has introduced a thumping great bill for its erstwhile supporters. Perhaps Mr Clarke hoped that no one would notice until after the election, given that the tax increases won't bite until 1998/99. If so, he was mistaken. This is an unfair, unexplained, insidious tax increase, which should not remain hidden by its complicated nature.

Think again Mr Clarke. Either justify your decision to take more away from the self-employed, or abandon it. Hiding behind administrative changes is not going to work.

We're all to blame for water crisis

The privatised water companies seem, once again, to have made a terrible mess of their business. There has been chaos, with thousands of homes cut off or facing rationing. Hundred of mains have burst – 350 in the North-east alone. Is it too much to ask, after more than a century of piped water supplies, that the network should survive a cold snap?

But anger at the water companies, already bubbling over at fat cat salaries and inadequate services during the summer drought, should be tempered. The vast leakage from the system, making it impossible to maintain supplies in some areas, is partly caused by fractured mains. But it is largely a result of pipes bursting in homes and work places at a time when schools, factories and offices were closed for the Christmas break. The water companies cannot be held accountable for the failure of these users to learn the lessons of the past and take precautions, such as lagging pipes.

Once the crisis developed, however, the response of the water companies is a matter of public concern. That is why Ofwat, the industry regulator, should announce an inquiry. This would investigate the preparations made by the water companies once the pre-Christmas freeze threatened the sequence of events that has since unfolded. Did the companies make adequate provision for alternative supplies? If not Ofwat, which sets the pricing structure for the industry, should make sure that consumers are compensated with lower bills.

An investigation should also focus on

the quality of mains piping. The extremes of weather over the past year – first a drought, which may have led to ground cracking, and then the sudden freeze and thaw – will have put some mains under strain. But if they were in good condition, they should have been able to withstand the pressures: pipes are sunk about one metre below the surface specifically to safeguard against heat and cold.

The truth is that the weather has merely exposed the system's serious existing weaknesses, caused by decades of underinvestment in the 315,000-kilometre network. Many of the fractures have been of old, brittle, cast-iron pipes – a type abandoned a generation ago in favour of more flexible ductile iron. Some of these burst pipes are more than 50 years old and are in urgent need of replacement. Again though the water companies cannot be blamed for the years of neglect that were the responsibility of their publicly owned predecessors.

The first lesson of the events of the past week is that the nation's favourite scapegoat of the mid-Nineties – the water companies – are not primarily to blame. The chief culprit and victim is the private citizen who has failed to invest sufficiently in the domestic infrastructure. The second lesson, though, falls directly on the shoulders of the water companies. This week's crisis demonstrates the need for them to renew a system that, if properly modernised, would not have faced the scale of breakdown experienced this week.

Movies like you've never seen them before

It's time again for the yearly round-up of the cream of the new films, so here to aid your seasonal cinema-going is our selection of the best new releases from 1996.

Reservoir Dogs
A grim, unpleasant tale of the rough, tough, greedy men who ran Yorkshire Water. They had only one thing: money. Pretty soon, they had all the money they wanted. Unfortunately, they didn't have any water any more. Someone had to suffer. The customer, of course. Not a pretty story.

Carrington
Lord Carrington was a bookish, reflective chap who just happened to catch the eye of Margaret. Margaret was a man-eating sort of woman who just happened to get caught up in a war. Margaret asked him to choose between her or the war. Bravely, he chose neither, and left her. In her grief she sank the *Belgrano*. Thousands had to die. It is not a pretty story. Some strong language and violence.

William Wallace and Gromit
Mel Gibson plays the part of the animated Plasticine tartan man who set out to save Scotland from the English, and Danny DeVito plays his faithful



MILES KINGTON

dog McGromit, who disguises himself as a red deer, gets behind the English lines and is eaten. Somewhat confusingly, King Alfred is also introduced into the story, but only in order to let the bannock burn.

Usual Suspects
A story about the ruthless gang run by John Major who, whenever there is trouble, rounds up the usual suspects and has them taken out and shot with rubber bullets. The Eurosceptics, as they are called, include men such as Teddy Taylor whose minds are, luckily, proof against anything as feeble as a rubber bullet or an argument. Tremendous action scenes, such as the one where Michael Portillo goes out on a punitive raid with the SAS against illegal immigrants and is then himself refused readmission to Britain!

The Lion King
Norman Tebbit was the king of the jungle. Blood flowed as he passed by. He savaged anyone who stood in his way. He respected nobody and bowed the knee to nobody. Then suddenly one day he had gone, to the "other place", as the jungle animals call it. But who would replace him? Would it be the equally nasty and vicious, equally feared and loathed Brian Mawhinney? Yes, it would, actually. Not for the squeamish.

In the Bleak Midwinter
Would-be hilarious comedy about a bunch of fly-by-night operators who are trying to put on a performance of supplying water in the North-east of England. The idea of a crucial water shortage happening at the wettest time of the year is not somehow quite as funny as it should be.

Batman Forever
Re-enactment of Michael Atherton's heroic but endless innings of a hundred and something not out against South Africa to ensure that the Test series against South Africa would not entirely expire from lack of interest.

Dumb and Dumber
John Major ("Dumb") resigns as leader to show that he is the real

leader. He stands for re-election against John Redwood ("Dumber"). A lot of the gang refuse to vote for John Major. This shows we are united, says Dumb. Funny, if you like that sort of thing.

Babe
Touching tale of a piglet (Diana) who is taken in by a family of sheep (the Windsors) and tries to behave like them. She does her best, but it is no good and she is so unhappy she keeps falling downstairs and being sick. Finally she gets her chance to escape and spend Christmas by herself, or, at least, not with the sheep. Everything ends happily or, at least, everything

Forest Dump
Out walking in the forest, the Bishop of Wakefield finds an abandoned pile of several billion scratchcards lying on the ground. Trying to trace who might have dumped this litter here, he is appalled to find that they were all bought by one family, and that almost every week in Britain the average adult spends more than his yearly wage on the National Lottery. As he is unravelling this tale of greed, temptation and skulduggery, the directors of Camelot plan to have the bishop eliminated... a story for our time.

all right-minded Irish people.

No one knows if such talks could be successful – but it will be a tragedy if no one takes the trouble to find out.

Yours etc,
P. F. B. CLARKE
Woodbridge, Suffolk
29 December

From Mr Peter Hughes
Sir: Sadly, Patricia Moynehan's thesis (letter, 30 December) on IRA and Sinn Féin nervousness is sentimental, to say the least. Since 1970, the IRA has operated a mafia-style rule of law which has netted it millions of pounds and could be likened to the "Roaring Twenties" in Chicago, with modern-day Al Capones ruling certain areas of Northern Ireland with an iron fist. Under no circumstances do these men wish to see peace return because with it will go their source of income.

The degree of trust Ms Moynehan espouses cannot occur because, even with the best will in the world, the "warlords" will only compromise on their terms, which require the gun. The people presently in control of the IRA are far removed from those involved in 1921, both in objectives and the means to obtain them.

Yours faithfully,
PETER HUGHES
Sheffield, Leicestershire
30 December

Sheep shipments

From Mrs Julia Long
Sir: In your leading article "When private parts get exposed in public" (26 December) you say that, in 1995, "Protestors all but ended the trade in live animals from Britain". This is not so.

The trade, if anything, has increased. For example, on 12 December 41 transporters were counted going into Doverport carrying calves and sheep. The reluctance of the main ferry companies to carry this miserable cargo has simply meant that the hauliers have to fire their own vessels.

"The Protestors Ltd", headed by Carla Lane and Michael Mansfield, is fighting this trade the best way possible – through the courts.
Yours faithfully,
JULIA LONG
London, SE24

LETTERS TO THE EDITOR

The Internet publishes – and is damned

From Professor Norman Dombey
Sir: Jim Moody (letter, 1 January) says of the Internet "It is not a publisher". He should be careful in his choice of words. The Internet may or may not be a publisher but what is now beyond dispute is that material may be (and is) published which is accessible on the Internet.

In my subject of theoretical physics, research workers now routinely publish their results by mailing them electronically to a computer archive at the Los Alamos National Laboratory in the US. Physicists all over the world who have access to the Internet may read these papers on their computer screens and obtain printouts.

Editors of conventional scientific journals are clearly disturbed by these trends and have sought advice, including legal advice, about their significance. They have been told firmly that an article which is sent electronically to the archive is thereby published, and the author is entitled to the benefit of copyright in the same way as he or she would have been if the article had been published conventionally.

Who the publisher is and what is the role of the various com-

puters that make up the Internet is less clear. But if a physicist were to access the Los Alamos archive using a commercial service provided by CompuServe, then clearly CompuServe is acting as a vendor of these publications in the same way that a newsagent is in respect of newspapers or magazines.

Yours sincerely,
NORMAN DOMBEY
Professor of Theoretical Physics
University of Sussex
Brighton
2 January

From Mr Colin Tully
Sir: In his letter about the Internet, Jim Moody tells us the action taken in Germany [to force CompuServe to ban access to newsgroups that discuss sexual matters] is "dangerous". Which is the greater danger: zealots' pain, or the exploitation and abuse of children?

We are told the Internet "should only ever be used by minors under adult supervision". Does Mr Moody inhabit the same reality as the rest of us, or only a virtual one? And "there is always the off switch". Why then regulate TV transmissions?

We are told that "a state

authority has usurped the rights, duties and responsibilities of parents". I wonder how many parents know how to exercise them, or will now protest at being disempowered?

What's more, "technical help for parents already exists" by way of "a software filter". After 35 years in the software business, I do not find this as reassuring as Mr Moody evidently does.

We are told that "the Internet can no more be described as anarchic than the telephone system or the postal service or a bag of apples". The issue is not anarchy; it is the unsolicited distribution of pornography. This is discouraged by post or phone, so why not by the Internet?

Well, "those who post inappropriate material are dealt with expeditiously by their peers, their fellow-users in each news group". Fellow pornographers (and bomb makers) are no doubt specially expeditious.

The Internet is a splendid achievement, but it is naive to suppose that it carries no risk, or that management of the risk should be left to the zealots.

Yours,
COLIN TULLY
Tunbridge Wells, Kent

Of dons and 'Disneyland'

From Mr Vivien Perutz
Sir: Writing from Oxford, where a mere seven or eight of 35 student applications attain the excellence he requires from those who are to read history under his care, Niall Ferguson derides my own institution, Anglia Polytechnic University, as "Disneyland, without regard to the offensiveness and injustice of this thoughtless cliché" ("Oxford? Sorry prof, I'm into media studies", 1 January).

In reality, Anglia, as a former local-authority institution, is physically drab and grossly underfunded, but it is alive with hard-working staff and students. The Higher Education Council has not yet assessed all subjects but, so far in my faculty, teaching in music and English has been judged excellent and history highly satisfactory. What makes teaching at Anglia so rewarding is not the selection of the already well-educated, but watching those who had previously underachieved progress beyond all expectation.

Contrary to Mr Ferguson, I do not welcome the national fall in university applicants. It is an index of the appalling financial difficulties some of the most disadvantaged young people know they will face if they embark on study for a degree.

Yours faithfully,
VIVIEN PERUTZ
Cambridge
1 January
The writer is senior lecturer in history of art at Anglia Polytechnic University.

From Dr Hugh Mason
Sir: Before applying for a chair in media studies, Niall Ferguson

might well consider the fact that the cliché which makes good copy can serve to obfuscate as well as illuminate. I know of no one who has been an external examiner at Anglia or De Montfort universities who would describe them as "Disneyland universities", or would suggest that they do not seek to maintain academic standards.

Mr Ferguson also belabours courses in traditional subjects. The test of whether a subject, be it media studies or mathematics, is taught to degree standards lies in the rigour, coherence and intellectual challenge of the course, rather than the material studied. There is nothing inherently wrong with courses of study related to employment in communications or management, and courses related to employment in law, medicine and the church seem to have been well regarded for some centuries.

There are serious matters for concern in British higher education. The maintenance of standards in a time of declining resources requires continuing attention. The question of what constitutes the basic requirements and attainment for the award of a degree certainly needs rational consideration. Unfortunately, the mere presentation of irrational prejudice does not serve to advance rational argument about the real issues.

Yours faithfully,
HUGH MASON
Assistant National Secretary
AUCLE: Association of University and College Lecturers
Southsea,
Hampshire
2 January

An end to misery

From Mrs Penelope Dalrymple Smith
Sir: Having just read your article "Invasion by organ snatchers" (29 December), I feel I must let other women know that having a hysterectomy need not be a disaster. I had long and heavy periods that made life a complete misery. By the age of 40, my life was a nightmare. I could hardly leave the house during my periods and was permanently exhausted and bad tempered. At 40, I had a hysterectomy on the National Health. I was consulted at each stage, and my ovaries, which were healthy, were left in on my express wishes.

I am now nearly 50, run my own business, am slim, fit and healthy, with bags of energy, and have an excellent sex life! Yours faithfully,
PENNELOPE DALRYMPLE SMITH
Bath

Awdry's award

From Mrs J. F. Trowbridge
Sir: In your article "Train to Glory" (29 December) about the creator of Thomas the Tank Engine, you referred to "Rev Awdry's death in 1972". However, you now report (New Year's honours list, 30 December) the award of the OBE to the same gentleman.

Posthumous award or report of premature death?

Yours faithfully,
J. F. TROWBRIDGE
Alton, Hampshire
31 December

Choice of weapons

From Mr John Keane
Sir: I do not know if Michael Mordaunt has been to see my exhibition at Flowers East (Letter, 30 December), which includes the painting *Art and Revolution (Part I)* about the assassination of Trotsky. If he does go, I hope that he will not take issue with the colour of the tie that Trotsky was wearing that day.

If he is really concerned with details of authenticity, I will readily admit that the French doors were actually closed, where I have painted them open. However, as regards the question of the assault weapon, may I quote from *The Assassination of Trotsky* by Nicholas Mosley, published in 1972 by Michael Joseph:

After the actual assassination it was found that... in a pocket was a pistol or ice-pick such as mountain climbers use – this had a seven off handle a foot long and a 7-inch head with a forked hammer-claw at one end and a sharp point at the other.

I hope this will remove the threat of any endorsements on my artistic licence.
Yours faithfully,
JOHN KEANE
London, N5

From Dr Harry Shukman
Sir: The ice-axe shown in John Keane's painting of Trotsky's murder is correct. A photograph of the murderer, Ramon Mercader, reenacting the assassination for the Mexican authorities, shows him holding just such an implement: an axe, not a pick. This photograph will appear, not for the first time, in a new biography of Trotsky by Dmitri Volkogonov to be published in the spring.
Yours faithfully,
HARRY SHUKMAN
St Antony's College
Oxford

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Condemned to a conspiracy of silence

A leaked report suggests a compromise might be on offer for gays in the military. It should be resisted

A draft report from inside the Ministry of Defence, leaked this week, suggests officials will recommend the reform of regulations banning gay people from serving in the armed forces. The internal MoD review proposes that a new "Don't ask, don't tell" policy might suffice to get the Government off the hook, now it has become plain that the test cases now heading inexorably to the European courts almost certainly will result in yet another humiliating defeat for British law.

Rearguard action has been led by the First Sea Lord, Admiral Sir Jock Slater. "The stand, in one word, is no," he wrote. "There is no choice of association on a ship. There is no privacy. And so I am absolutely certain it is unacceptable in a ship in the fleet to have declared homosexuals..." The Navy set out to conduct a risible "consultation" process, from which, unsurprisingly, the overwhelming majority of servicemen and women appear to have come out strongly against any relaxation of the rules. In the first round, for instance, the entire crew of HMS Brilliant docked in Plymouth was summoned to give their opinion. "Anyone here want homosexuals in the Navy?" No hands went up.

At a more relaxed discussion among personnel stationed at Faslane, some 70 per cent were positive about the idea - about the same level of tolerance as is usually found among the general public. However, a few were chosen to answer detailed questionnaires, with somewhat leading questions. Would they be frightened of

going to the aid of a bleeding comrade if they knew he was gay? How about sharing a bed with a gay man, if it proved necessary in battle conditions?

These loaded questions may be unfair, but even so the compromise being proposed by the MoD looks superficially as if it might be the answer, to mollify the hostility from the top brass. Even liberals are becoming a little weary of vociferous gay campaigning on what seem to be relatively minor injustices.

After all, isn't homosexuality in effect legal now? What does it really matter about these curious little outposts, such as the clergy, the military, or, for that matter, the 16- to 18-year-olds? Surrounded by grosser social injustices, vestigial discrimination against gays may seem relatively piffling.

But in fact the law still causes a surprising amount of very real suffering to those who fall foul of it. The servicemen and women who took their cases to judicial review last year were not simply indulging an ideological point.

Take just one of them, Lieutenant Commander Duncan Lustig Preen. Eighteen months ago he was a young, very high flyer in the Navy, just about to be appointed as military adviser inside Number 10. But a well-known blackmailer threatened to tell of his homosexuality. He had done nothing wrong, committed no indecent act, but outside his navy life he had a gay partner. To avoid the clutches of the blackmailer he went at once to the captain of his ship to confess that he



POLLY TOYNEE

Gay persecution is a speciality of the military police

was gay. The captain reluctantly had no choice but to hand him over to the military police, and he was drummed out. He is still unemployed, and, he fears, unemployable. Establishment companies think him a trouble-maker for challenging the Government in court, while voluntary organisations think he is too much of an establishment navy man for them. His very promising career has been destroyed. What happened to the blackmailer? Nothing. He is a man who frequently supplies information to the military police about gays in the forces who won't pay up to silence him. Gay persecution is a speciality of the military police, who frequently act as agents provocateurs in gay bars and clubs around naval bases.

Duncan Lustig Preen says the MoD's proposed "Don't ask, don't

tell" policy would do nothing to help people like him. It was devised in America as an emergency compromise when President Clinton ran into a storm of controversy in his first days over his pledge to apply gay rights to the services. It has led to no diminution of the number of people turned out of the US forces for being gay.

Had the policy been in operation here, Lustig Preen would still have been turned out as soon as he told anyone he was gay, so he would still have been a target for blackmailers.

Although homosexuality is now widely accepted, especially among the under forties, law after law still discriminates against gays. Last year a friend of mine died in his seventies, leaving behind a partner he had lived with for some 40 years. If they had been a married couple his partner would have inherited his pension, and would not have had to pay death duties. He was lucky not to lose his share of the house, as many have done in paying death duties.

Immigration law prevents gay people from bringing in foreign partners. An unmarried partner has no right to inherit a tenancy. Unemployed gay couples do better: each will be assessed separately for income support and paid more than a married or cohabiting heterosexual couple would be. But in about three-quarters of pension schemes, there is no way for unmarried partners to pass on their hard-earned entitlements.

Stonewall, the moderate gay-rights group, wants a change in the law to

give gay couples the right to have their partnerships registered in the town hall, with all the legal and financial advantages that accompany marriage. There could be a bit of a ceremony, if they want it, or just the signing of a piece of paper. If the couple were to break up acrimoniously later, they would have the same legal redress in the division of goods as married couples have. Most of all, this would bring a new social acceptance.

But it won't happen in the foreseeable future, for one rather perverse reason: the same rights would have to be given to cohabiting heterosexual couples. In the current political climate it is impossible to imagine giving more rights to cohabiters, since family values lobbies are clamouring for marriage to be strengthened through extra tax and benefit incentives - and even fidelity bonuses for those who remain married.

The ill-fated Domestic Violence and Family Homes Bill would have extended the protection now afforded to married victims of violence, to those in cohabiting relationships - including gay relationships. But a burst of moral outrage against cohabiters' rights stopped the Bill in its tracks, and it has been hastily watered down.

The gay world may seem like a small outpost of society, but in fact the way it is treated reflects a huge and growing area where the law is badly out of kilter with the way people actually live and what they believe. That is why "don't ask, don't tell" amounts to a conspiracy of silence that still proclaims homosexuality officially unacceptable.

Europe awaits Italy's big aria

The next six months are crucial for the EU. Andrew Gumbel asks if the new presidency can cope

Italy might seem an inauspicious sort of country to be presiding over the European Union for the next six months. After all, it is having trouble bringing even a semblance of order to its own political affairs, so what hope is there of co-ordinating the diverse, and often conflicting, aspirations of 15 EU member states in the next, crucial phase of their integration?

As it steps into the hot seat, Italy finds itself still with an unelected Prime Minister in Lamberto Dini, a stopgap government that has only survived for lack of viable alternatives. Political parties that are forever threatening to plunge the nation into deep institutional crisis by sabotaging even the most urgent legislation, and public finances so chaotic that they are rapidly pushing the country out of the running for economic and monetary union.

Hardly a promising basis from which to co-ordinate the start of what has been called "Maastricht II", the Inter-Governmental Conference. In the coming months the EU presidency will be expected to conduct delicate negotiations on the mechanics of the looming single European currency, and think seriously about expanding the EU to the south and east. It does not help that the current Italian Foreign Minister, Susanna Agnelli, gives off the air of a high-society hostess rather than a high-level negotiator, and is known to have little patience with the nitty-gritty of European business.

And yet the Italian presidency may turn out to be much less awful than it looks on paper. Precisely because the country is in such great domestic turmoil, it is determined to make a good showing in the international arena, to maintain what is left of its credibility with its European partners.

In part, this will be down to showmanship. Italians know as well as anyone how to put on an impressive theatrical performance, and the architectural beauties of Turin (for the IGC inauguration) and Florence (for the end-of-term summit), not to mention their culinary prowess, are sure to put visiting ministers in an upbeat mood before they so much as step into their meetings.

But there will be more to the Italian presidency than pasta and sunshine. For all the uncertainty at the top of the political ladder, the European affairs team at the Farnesina, Italy's foreign ministry, is a tight-knit, broadly competent group, well used to getting on with the job

while the ministers squabble, perform U-turns, resign or fall victim to government crises.

For 40 years Italy's senior civil servants have co-ordinated a coherent, ardently pro-European line which is unlikely to be disrupted now. For this presidency they have pinpointed a number of new issues they are keen to promote, including the development of closer ties with North Africa and other Mediterranean countries, and co-ordination of the fight against drugs trafficking and other organised crime.

Even from a political viewpoint, things could be worse. Mr Dini is a rigorous-minded prime minister who commands broad respect at home and abroad. To compensate for Mrs Agnelli's shortcomings, there is talk of a creating an *ad hoc* junior foreign minister to guide Italy through the presidency as smoothly as possible.

Nevertheless, the next six months are unlikely to be entirely comfortable, either for Italy or for Europe as a whole. "It will be a weak and undramatic presidency," predicts one EU diplomat in Rome. "All the Italians want to do is keep the show on the road and give

Italy will do its best to win favours from Germany by being a good boy

the impression of competent management."

That means in particular no controversial attempts to delay or rework the terms of monetary union, as the more sceptical members such as Britain - but also Italy itself - would like. Too weak to swing the agenda its own way, Italy will thus do its best to win favours from Germany by being a good boy.

The government would also like to use the presidency to make some important domestic advances, such as putting the lira back in the European Exchange Rate Mechanism, slashing its public debt still further, and tightening borders in accordance with the Schengen agreement that it has initiated but not yet joined. Whether such goals are realistic depends on the sempiternal Italian Question: can the country keep its politics in order and get on with the business of government? It would take a brave person to predict an answer to that.

A brew to get bothered about?

Labour is upset about alcoholic 'soft' drinks. But is this a matter for politicians? Paul Valley reports

William Hooper, in addition to being the inventor of the hot-water bottle, was famous in the 1840s for his lemonade. Which was why Bass breweries acquired his name as the trademark for their Hooper's Hooch, which has taken British pubs, bars and supermarkets by storm in the past nine months.

There is, however, nothing traditional about the product, an emetic mixture of lemonade and alcohol which has since spawned some 23 other brands of alcoholic "soft" drinks from manufacturers anxious to emulate the brewer's success. The Hooch is selling two million bottles a week.

Two Dogs, Mad MacAulay's, Lemon Lips, and a dozen other lemonades - with alcohol content

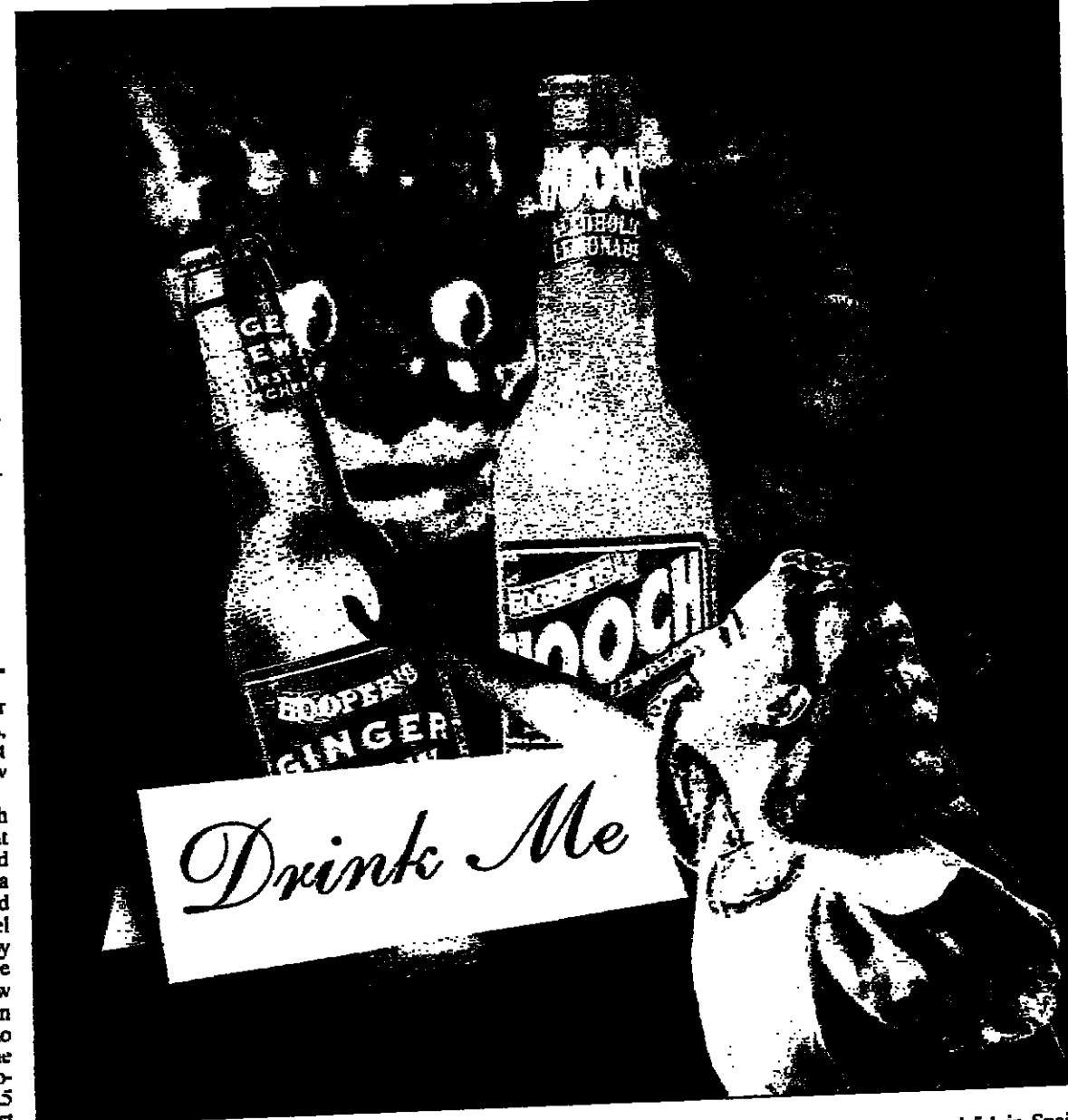
The new brews mask the alcohol completely so that it is palatable to kids reared on cola

ranging from 4.2 per cent to 5.5 per cent - are being joined by cherryades, ginger beers and various colas in what is known in the drinks trade as "new age adult beverages".

But products such as Alcola - which has been launched by the family that introduced Babyham in the Fifties and is marketed under the slogan The Cola That Bites Back - yesterday prompted Labour's consumer spokesperson Nigel Griffiths to demand an investigation by advertising authorities and the Office of Fair Trading. He fears that the new style of drinks will cause an explosion in drinking among young teenagers who cannot tell the difference between the Caribbean crush Lilt and its less innocent equivalent Tilt, which contains 5.5 per cent alcohol - more than most extra-strong lagers.

The marketing strategies of the new drinks, which rely heavily on cartoons and rave culture slogans, have led Alcohol Concern, the anti-drinks lobbying group, to condemn manufacturers for a "cynical attempt to hook young people on alcohol". Brewers dismiss the idea that they are targeting under-age drinkers as fanciful.

Muddled messages over alcohol are nothing new. The Association of Chief Police Officers yesterday released figures showing that fewer people were caught drinking and driving over Christmas. No one was saying whether it might have been even better had not Stephen Dorrell appeared to trump the campaign a week after it opened with his announcement that official guidelines on the level of safe drinking were to be relaxed.



In making that announcement the health secretary was anxious to indicate that the grip of the "nanny state" was receding, which is presumably also why the Government has recently changed the law to allow spirit advertising on TV. There is a logic to this. Why should there be government guidelines on safe drinking at all? There are no guidelines on cholesterol or other medical indicators. Such matters are left to a private dialogue between doctor and patient.

How far should the power of the state extend? The argument between liberty and authority is well-rehearsed. Yes, after Locke, we do hand over power to the state - we give it authority to license pharmaceutical products because most of us do not have the expertise to make a judgement on

what is safe. But no, after JS Mill, we do not accept that the state should much intervene over what we do to ourselves, but only where we threaten to harm others. Banning lemon hooch on grounds of oenological inelegance seems hardly to qualify.

But suddenly the children are involved and paternalism must give way to parenting. According to Philip Graham, Emeritus Professor of Psychiatry at the Institute of Child Health and chairman of a distinguished working party on young people and alcohol, children's alcohol consumption is at a "worryingly high level". One in five British 15-year-olds drinks more than the (old) safe limit for adults every week. And 12 per cent of nine- to 15-year-olds are regular drinkers - with an average 6.9 units a week, compared

with 6.7 in France and 5.1 in Spain.

The new drinks were yesterday condemned as "insidious" by Professor Sir Leslie Turnbull, president of the Royal College of Physicians. And the 4,000 members of the Scottish Licensed Traders' Association are refusing to stock the trendy brew.

The manufacturers are bullish in their response. There have always been kids' drinks. Remember Prince Charles' infamous under-age cherry brandy? Or the rise and fall of that "genuine champagne perry" Babyham, with its cute little Bambi? Or the brown ale & blackcurrant of the Seventies and the trendy sweet ciders of the Eighties? The young have always found ways of disguising the flavour of alcohol in the early stages of acquiring a taste for the stuff.

But three things are different here. First, the new brews do not merely disguise the alcohol, they mask it completely so that it becomes instantly palatable to a generation reared on Coke and Pepsi. Bass has admitted that the alcohol in its Hooch is difficult to taste.

Second, alcoholic lemonade is not a classic tittle masked with something sweet: putting alcohol into what has been an innocent drink of childhood somehow inverts natural order. And third, there is the packaging. The new drinks do not come in the conventional containers of lager, wine or spirits. Their cans are the same size as soft drinks. Some come in unorthodox shapes - a light bulb bottle with a screw top or a rocket-shaped container which one drink reviewer claimed

Nothing appeals more to a youth market than being told a product is harmful

was "aimed at kids who want to sneak drinks into dance halls". Their advertising features zany cartoon characters and many have names which appeal to teenagers' anti-authoritarian streak.

The law is clear on the marketing of alcohol. Adverts "should not be directed at people under 18 through the selection of media, style of presentation, content or context in which they appear", according to the Advertising Standards Authority code. Manufacturers say they are aiming the new drinks at young women in their twenties, though they have found a big market among young men of the same age (City traders drink them with double vodka chasers). If the advertising style which is used to attract these customers also appeals to teenage drinkers that is unfortunate but there are licensing laws to prevent sales to those under 18. All we need is for that law to be properly policed.

Such an argument is disingenuous. Rules banning the sale of alcohol to the young are commonly flouted and offenders are rarely prosecuted, according to the Magistrates Association. The culture of aspiration among teenagers is a marketing truism. And nothing is more likely to appeal to a youth market than being told a product is potentially harmful. The manufacturers may be acting within the letter of the law but could their marketing be described as responsible?

An official investigation might provide the answer. What has the industry got to lose by co-operating? If their hooch is being drunk by the right people they have nothing to fear.

ANOTHER VIEW Diana Lamplugh Festive feelings that lead to tragedy

Why do tragedies so regularly appear to accompany our public holidays? Those young, innocent children murdered during our glorious summer, these fresh-faced, lovely young girls who have disappeared or been abducted and murdered over the Christmas break.

Once again we sit appalled, reading our newspapers, listening to or watching the news. These could be our children, grandchildren, siblings, friends. We suffer with their parents and at the same time we quickly try to find excuses why it could not happen to us - it must not happen to us. Over the many years that I have

worked in this field of personal safety, we have begun to recognise the dangers of holidays. However carefully a child or even an adult can be schooled in safety rules, somehow these can all be relaxed in the excited rosy glow of a holiday; you are feeling that nothing can happen to you and all is well with the world. In such a mood it is easy to be taken in.

Strangers cease to be strangers when they smile, are kind or are female. The Wests used this ploy adroitly and so many suffered the consequences. Besides, we feel strangers over the holiday period must also be filled with goodwill.

It is preferable to consider safe places rather than safe people. For instance, hitch-hiking down a motorway presents you as an easy target. You are alone, it's odds-on that no one knows precisely where you are, and if you are abroad, it may be some time until you are missed. You show you are prepared to get into a steel container, which is centrally locked and being driven at speed by a complete stranger who may have already convinced themselves that you are "asking for it".

Long before you travel, you need to ask yourself whether you are willing to chance these risks.

Leaving a disco by yourself, having had something to drink, you may have smiled without thought at someone across the room. They may have got the wrong message - but anyway, it's dark and no one's around. You need to decide how you are going to get home before you go out.

The Suzy Lamplugh Trust has done extensive research with Oxford Brookes University on youngsters travelling around the world. Thailand has well-known drug problems. However, we still know far too many young people who get into considerable trouble.

Risk and excitement are half the fun of world travel, but just like all

personal safety dangers, these need to be looked at in advance.

With all the trust's experience in its schools programmes, one of the most important lessons I have learnt with youngsters is to avoid saying "Don't!" Rather, they should be given informed ideas of what to do and encouraged to make their own decisions.

All this sounds remarkably like common sense. Unfortunately, common sense is too rarely common practice, particularly on holidays.

The writer is director of the Suzy Lamplugh Trust, the national charity for personal safety.



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Forte's £900m giveaway defence

JOHN SHEPHERD
and MATTHEW HORSMAN

The City is braced for a photo-finish in the dramatic, and extremely hostile £3.2bn takeover bid by Granada for Forte, the UK household name in hotels and roadside restaurants.

Leisure analysts were yesterday stunned and surprised by what they called a "bold, radical and amazingly" open defence document from Forte which, for the first time ever, has given explicit details about hotel trading from occupancy and room rates through to a breakdown of the sales mix from management fees to receipts from catering.

Forte yesterday slammed the shareholder loyalty card on the table, promising to boost investment value through a £662m share buy back, funded by the planned £1.05bn disposal of the Happy Eater and Little Chef restaurant chains to Whitbread, and a pledge to increase dividends.

The company will boost the final dividend for the current financial year, which ends this month, by 21 per cent which will increase the total payout to 8.5p. Shareholders, if they reject the bid, are promised a 20 per cent dividend increase in each of the next three years.

Those increases, though, will only just about compensate for Forte's decision to hold its dividend in the 1992-93 year at 4.91p and the subsequent 24 per cent cut in payments to 7.5p the following year. Forte's promise of a dividend total of 14.7p in 1998-99, represents a 48 per cent increase over a six-year period.

Sir Rocco Forte, chairman and chief executive, said he

was confident, however, that the company had done enough and promised enough to shareholders to remain independent "by a long chalk".

The company also plans to re-distribute all its shares in the Savoy group. Analysts said the move meant the Savoy was being pushed a step closer to being a takeover target itself.

Forte will today host a full briefing session for analysts. Over the next fortnight two teams will brief institutional shareholders and private shareholders alike. "This is like doing a new issue," a Forte spokesman added.

Copious amounts of scorn was poured on the defence document by Charles Allen, chief operating officer and chief executive-elect of Granada.

"The financial strength of what they call New Forte would be weaker than a Granada/Forte combination," Mr Allen said. "This is just a quick fix. They'll be right back to being a £900m debt company, with only a 5.8 per cent return on capital. Just to meet their dividend commitments, they'll have to double profits in three years. That's just not credible for a management with this track record."

Granada plans to refute the points in the defence document line by line in meetings with analysts and shareholders, a company spokesman said. The focus will be on Forte's planned sale of the restaurants business, which Granada does not favour, as well as Forte's revaluations of the hotels business and its revised profits forecast.

A raised bid was still held out as a possibility last night, ac-



According to Granada insiders. But a final decision will not be made until closer to the deadline of 9 January. A sweeter of between 5 and 10 per cent, as much as £300m, was still considered most likely, although some analysts said a knockout bid would have to be close to 15 per cent higher.

Granada is also expected to provide further details of its plan to enhance Forte's profitability by £100m a year, through cuts in head-office charges and the benefits of higher economies of scale on the food-purchasing side of the combined businesses.

Leading leisure analysts are divided over how the battle will finish. Several contacted yesterday said that Granada would have to bid more than

The Forte takeover battle

Case for the prosecution

Forte has sold cash generate assets and retained trophy assets

We see no reason to suppose that Forte's poor performance will improve to acceptable levels soon

It is improbable that Forte will resolve its long-term inability to generate sufficient cash to fund growth

Forte owns a number of potentially valuable brands, but often fails to capitalise fully on them

Forte has repeatedly set targets which it has then failed to meet

Granada has three distinct activities, all of which are in the leisure sector and share the same market characteristics

In the same league for return on investment, Granada is ranked 5th of the FT-SE 100 while Forte is 72nd

Forte's own five year summary shows eps down 41% and dividends down 24%. Granada has grown earnings, and raised dividends 68%

Case for the defence

Deposits have achieved excellent value for shareholders

The new management team has revitalised Forte and has the skills to drive the businesses forward

Forte's strategy will create value - and realise value - for shareholders

Forte's highly valuable brands have leading positions in their market places

Operating cashflow is improving as investment in core businesses capital programmes starts to pay

Granada is a diverse group of largely unrelated businesses, and has become a 1980s style, acquisition driven conglomerate

During the 1990s, conglomerates have underperformed the market by over 35 per cent

In aggregate, Granada's underlying businesses have stagnated... we have traded profits over the last three years



investors had imbibed the message from the defence document and were coming down on the company's side.

"I couldn't think of a better New Year present than this. We're a very asset rich business and will continue to be an asset rich business after this process."

Forte also intends to re-distribute the company's holding

in the low voting 'A' shares in the Savoy group, worth 23p per share.

Savoy declined to comment on the share distribution. Forte plans to meet with Savoy shareholders to discuss a "clean" distribution of Forte's 168,000, high voting 'B' shares. There will also be changes to the Forte board.

Comment, page 15

Rate cut hint as US turns down

DIANE COYLE
Economics Correspondent

Manufacturing activity in the US fell for the fifth month in a row in December. The slowdown reinforced hopes yesterday that the Federal Reserve would follow last month's reduction in key interest rates with another cut at the end of January.

The weaker than expected monthly survey of activity from the National Association of Purchasing Managers contributed to a jump in share prices. The Dow Jones industrial average was just over 34 points higher, at 5151.44 by noon.

The pace of decline in industry slowed between November and December, according to the survey. But thanks to sluggish consumer spending, new orders and employment fell, while manufacturers' stocks of finished goods increased.

Ralph Kauffman, the NAPM's chairman, said manufacturing might have turned the corner. "The indications are optimistic that we have hit the bottom, perhaps, and we might start to turn up," he said.

Other economists were pessimistic, however. "It was a downbeat report that suggests the manufacturing sector has yet to turn the corner," said Cary Leachey, an analyst at Lehman Government Securities.

David Wyss, chief economist at consultancy DRI, said: "Outside of computers, we're seeing a general weakness in manufacturing. There was no sign of growth in sales of cars or other consumer durables, he said."

Initial retailers' reports, likely to be confirmed by surveys released today, suggest that the Christmas spending season was disappointing.

The NAPM index rose to 47.3 last month from 46.5 in November. It was the fifth successive figure below the 50 boundary between expansion and contraction.

The index for new orders fell substantially below the key level of 50. A rise in export orders was the only area of activity to show a significant improvement.

The brightest note in the NAPM survey was a sharp fall in the price component, down from 44.5 to 40.8. This marked the lowest for more than four years, and shows that materials costs remain very subdued. This cheered Wall Street analysts who hope for another reduction in the key Federal Funds rate from its current level of 5.5 per cent.

When the Fed announced a quarter point reduction on 19 December it said the move was due to inflation being "somewhat more favourable than anticipated" and to the associated decline in expectations of inflation.

Surveys and data published by the Federal Reserve are the only economic information available as long as the partial closure of the Federal Government lasts. Other statistics have been delayed indefinitely.

Forecast of recovery in housing market boosted by Halifax data

NIC CICUTTI

Housing analysts' tentative forecasts of recovery for the housing market received fresh backing yesterday from a survey by Halifax Building Society, showing house prices rose 0.3 per cent in December.

This latest monthly increase, the fifth in a row, still means the cost of a home is 1.4 per cent lower than in December last year.

But the Halifax yesterday claimed the figures confirmed its view that prices have now stabilised.

Despite the house price rise, separate statistics from the British Bankers' Association showing that the amount committed by large banks to would-be borrowers dropped by 8 per cent, to £1.55bn in November.

The number of lending approvals by banks also suffered a sharp 10 per cent drop in November, down to 30,000 from 33,000 the previous month.

However, the seasonally adjusted figures for net lending by

large banks - new home purchases rather than re-mortgages - still grew from £616m in October to £677 the following month.

The Council for Mortgage Lenders said the fall in approvals, which cut the banks' share for home loans from 41 per cent of the market in October to 33 per cent the following month may have been caused by the mortgage price war which began in September.

Although the cost-cutting was sparked by Abbey National, now a bank, most large building societies responded to the challenge within hours rather than days, as high street banks did.

As a result, societies' approvals figures for November were up from £2.8bn the previous month to £3.2bn.

"If you add up both banks and building societies' figures, the underlying picture is of a rise in lending over the past few months."

"This is further evidence that the market is slowly beginning to sniff the air again," a CML

spokeswoman said. Gary Marsh, a senior manager at the Halifax, said:

"We are not trying to talk up the market. Indeed, while we believe the last five months' figures indicate the collapse in prices has peaked, we don't claim things will be on the up and up forever."

"Our new year prediction of 2 to 3 per cent increases in house prices for the next 12 months includes the possibility of negative monthly figures as well, although this has not happened in December."

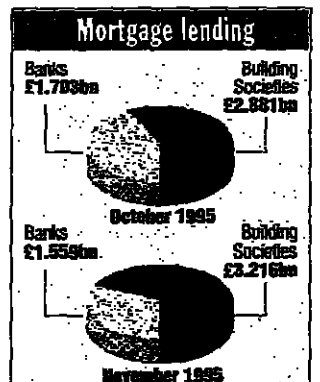
Tim Sweeney, director general at the BBA, also sounded a cautiously optimistic note: "Net lending by the major banks strengthened a little. With the building societies reporting a sharp increase in net advances in November, the lending data add support to the view that the new year may see a modest improvement in the housing market."

"Compared to the very buoyant October figures, new approvals fell back, though part of this drop was probably seasonal in nature," Don Smith, UK economist at HSBC Greenwell, said.

"We believe the Halifax figures show the market is heading in the direction we have predicted for some months now."

"Although new approvals by banks are down, it is likely that this is a reflection of the fall in market share."

"What needs to be examined here is the seasonally-adjusted figures for net lending, which were up month-on-month."



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RUSSELL HOTTEN

Boeing, the US planemaker, scored a decisive victory over Airbus Industrie, its European rival, in last year's bitter battle for commercial aircraft sales.

Figures released yesterday show the American giant notched up 261 net new orders worth \$18bn (£12bn), dwarfing a total of just over 100 orders secured by Airbus, the consortium that includes British Aerospace.

In 1994 Airbus had pushed ahead of Boeing for the first time, achieving 125 firm orders worth \$9.1bn, against Boeing's 120 aircraft worth \$7.7bn.

But latest figures demonstrate how far the European partnership fell behind the world's largest aircraft company, which in November won the record \$12.7bn order for 77 planes from Singapore Airlines.

Airbus' latest newsletter said yesterday that it sold 23 aircraft in November, bringing its sales to the end of that month to 99. A company spokesman said

that orders placed in December, including for two aircraft by Austrian Airlines, will bring its total to just over 100 planes.

He said Airbus would release a more detailed breakdown within the next few days, adding: "Obviously we accept that Boeing will truly beat us in 1995."

It is thought that it was a particularly bad year for sales of Airbus' family of widebody aircraft comprising the A330 and A340 jets. Airbus had made great play of overtaking Boeing in 1994, and the intensity of the rivalry spilled over into a war of words at the Paris Air Show earlier this year.

News that Boeing has comprehensively beaten Airbus in 1995 will not help the consortium's sales pitch. Boeing is expected to take the lion's share of a \$2bn order from Malaysian Airlines for up to 30 aircraft, which could be announced within the next few days.

The Malaysian airline will place an order for six to eight Boeing 747-400s, with the rest of the deal for Boeing 777s and

Airbus A330s. McDonnell Douglas, whose sales figures were not available but which is expected to show a dreadful, is believed to be out of the running.

BAA makes wings for Airbus, whose other three partners are France's Aerospatiale, Germany's Daimler-Benz Aerospace, and Construcciones Aeronauticas, of Spain.

Airbus and Boeing have forecast that airlines will need to order between 13,000 to 15,000 new aircraft worth over \$1,000bn in the next 20 years to replace ageing fleets and meet growing demand for air travel.

The biggest demand is coming from fast-growing Asian airlines, who are demanding new variants to meet greater range and capacity. Boeing has launched a stretched version of the 777 to offer greater capacity with the same range as the 300-seat 777-200, and is also considering a shortened long-range version - the 777-100.

Airbus is planning to spend \$500m developing a longer-range but smaller version of its 335-seat A330 twin jet.

Abdullah seeks shake-up at Water Hall

DAVID HELLIER

Rasheed Abdullah, best-known for turning around a small engineering company in the 1980s into a mini-conglomerate called Evered before being forced out after a boardroom split, yesterday immersed himself in a new battle for boardroom change.

Mr Abdullah has requisitioned a shareholders' meeting at Water Hall, a quarrying group, at which he is proposing the removal of Edward Weiss, the chairman, and the appointment of a supporter, An-

thony Smith, as a director of the company.

With the support of shares held by a Saudi company, Elkherji Trading & Electronics Corporation, Rasheed and his brother Osman, both former executive directors of the group, hold the necessary 10 per cent of the shares needed to requisition such a meeting.

They may also, though not definitely, enjoy the support of two other Arab investor groupings that could take their percentage of the paid-up capital to 45 per cent. A clear majority is needed for Mr Abdullah's

proposal to go through. As part of the fight-back Mr Weiss, a former finance director of Chubb, has threatened to approach the Takeover Panel.

He says he is considering approaching the Panel to see whether Mr Abdullah, in calling for a change in the composition of the board, is not reneging on assurances he and his brother gave shareholders as part of a financial reconstruction of the company last year.

"There are issues here which should be brought to the attention of the Takeover Panel," Mr Weiss said yesterday.

In essence, Mr Abdullah considers the group should now pull out of its traditional quarrying and land-fill business and move into a new business.

However, Mr Weiss says: "Why should we sell something when we do not know what to buy? I do not think anything has happened to make us change the policies which we spent out a year ago at our extraordinary shareholders' meeting."

Water Hall was born out of a financial reconstruction that repaired the finances of Starmin, the quarrying group of which Messrs Rasheed and Os-

man were executive directors until their resignations in July 1993.

In the listing particulars accompanying a financial reconstruction at the beginning of last year the group committed itself to the quarrying and land-fill business. They stated: "The Water Hall Farm Complex will now become the main activity of the Group."

Mr Weiss argues that Mr Abdullah approved this statement and should now support the board, especially in the light of an improving financial performance.



Battle: Rasheed Abdullah calls to shareholders

Repo market opens with a whimper

PAUL WALLACE

The City gave birth to a new market yesterday. But even though it has been billed by the Bank of England as "the most significant liberalisation in the gilt market since Big Bang", the gilt repo market started life without much ado.

"It was like watching paint dry," said Nigel Richardson, head of bond research at Yamaichi International. "It was a day of people finding their feet, testing the system."

Investors' attention was more focused on political worries about an early election. The March long gilt future lost a third of a point and the differential between UK and German yields widened.

Despite this slow start to the new repo market, "it will affect everything," said Euan Harkness, chairman of the Gilt Edged Market Makers' Association. "If you're not on top of it, you aren't going to be aware of stock shortages developing."

With the advent of open gilt repo trading, any market participant can enter into an agreement to sell and repurchase gilts. This allows investors and traders to raise finance from their holdings of gilts by selling them as collateral and permits them to borrow stock to cover short positions.

Until now, only the 20 gilt-edged market makers could

use stocklending and borrowing facilities offered by the eight Stock Exchange money brokers. However, this market structure was "viewed as very opaque by international investors," said Peter D'Amario, repo marketing director at BZW. "Now with the market opened up you've got an efficient pricing mechanism emerging."

Although there is no set limit to the length of repo contracts, the average is expected to be between a week and ten days. With the repo rate the key intervention mechanism for other central banks, the Bank of England is widely expected to follow suit once the market is in full swing.

The creation of the new market is the second in a three-pronged attempt, initiated by the Treasury, to cut borrowing costs. It follows the auction calendar and maturity schedule for gilts and comes ahead of a new gilts stripping facility.

All three changes are designed to bring the gilt market into line with international practice. According to Mr D'Amario, repo trading, long a feature of the US Treasury market, has grown "geometrically" in the past decade. In recent years, the French have also reformed their bond market to introduce repo trading.

The Treasury's ultimate goal is to drive down borrowing costs.

STOCK MARKETS

FT-SE 100*

Dow Jones*

Nikkei

*Year Index graph at 1990 Index

FT DOW JONES NIKKEI

Indices

Index	Close	Day's change	Change(%)	1995/96 High	1995/96 Low	Yield (%)
FTSE 100	3667.9	-1.40	-	3669.30	2564.20	3.87
FTSE 250	4036.9	+15.6	-	4021.30	2967.30	3.84
FTSE 350	1831.6	+1.0	-	1830.60	1482.40	3.82
FT Small Cap	1941.55	-	-	1993.11	1678.61	3.42
FT All Share	1802.56	-	-	1837.78	1469.23	3.80
New York *	5107.37	-	-	5207.44	3932.08	2.25
Tokyo	19668.16	-	-	20011.76	14485.41	0.767
Hong Kong	10073.39	-	-	10073.39	8867.93	3.837
Frankfurt	2284.80	+30.98	-	2317.01	1910.96	1.967

Source: FT Information

INTEREST RATES									
Short Sterling*			UK medium gilt			US long bond			
* 15th March latest available			* February 24, 1990						
Money Market Rates			Bond Yields *						
Index	1 Month	1 Year	Medium Bond (%)	Year Ago	Long Bond	(%) Year Ago			
UK	6.50	6.38	7.44	8.78	7.60	8.72			
US	5.56	5.31	5.82	7.69	5.99	7.89			
Japan	6.50	6.50	2.90	4.69	-	-			
Germany	3.84	3.56	5.97	7.67	6.75	-			
*Benchmark indices									
MAIN PRICE CHANGES									
Index	Price (p)	Change (p)	Change (%)	Falls	Price (p)	Change (p)	% Change		
Ladbroke Group	156	9.5	6.5	Value Group	270	12	4.3		
English China Clay	335	18	5.7	Lloyds TSB	319	12.5	3.8		
Sedgwick Group	127	6	5.0	First Business	149	6	2.2		

CURRENCIES									
£/\$	£/DM	£/Y	Pound	Yesterday	Change	Year Ago	Buller	Yesterday	Change
£/\$	£/DM	£/Y	£ (London)	1.5568	+0.02c	1.5628	£ (London)	0.6423	-0.18
£/\$	£/DM	£/Y	£ (New York)	1.5555	+0.04c	1.563	£ (New York)	0.6429	-0.18
£/\$	£/DM	£/Y	DM (London)	2.2345	+1.13c	2.2394	DM (London)	1.3447	+0.34p
£/\$	£/DM	£/Y	¥ (London)	161.848	+Y1.695	166.806	¥ (London)	103.966	+Y0.81
£/\$	£/DM	£/Y	₹ (India)	83.5	+0.4	88.6	₹ (India)	94.1	+0.1
OTHER INDICATORS									
Oil Brent \$	18.35	+0.02	16.23	RPI	149.8	+3.1pc	2.6	18 Jan	
Gold \$	388.20	+2.15	380.3	GDP	106.5	2.1pc	4.3	22 Jan	
Gold £	250.00	+0.7	243.82	Base Rates	-	6.50pc	5.75	-	

Scorched earth policy may be too hot to handle

COMMENT

'Forte is like the wayward salesman who after years of coasting, suddenly finds the cash to land a blockbuster sale and win a stay of execution'

The further the Forte bid battle progresses, the harder it becomes to make judgements both on whether Forte should be given a second chance and how Granada ought to respond to what is turning into a truly heroic defence. Forte certainly doesn't deserve a second chance; his recent track record is lamentable and despite the promotions announced yesterday, it shows no sign of contemplating the management shake-up that would guarantee fundamental change. Yet with enough bribery, even for the most undeserving of cases can survive. Forte is like the wayward salesman who after years of coasting, suddenly finds the cash to land a blockbuster sale and win a stay of execution. It is remarkable what managements can do once properly focused on the task of delivering shareholder value.

The package of goodies announced yesterday – a combination of break-up and scorched earth defence – may be enough to see off Granada. Certainly Gerry Robinson, its chief executive, is going to have to pay a lot more to win. For an executive who in part has built his reputation on underpaying for assets, that's a tough one.

But first, let's slap down the Forte defence a bit, for it is not quite as brilliant as it seems. The buy-back puts a temporary floor under the share price of 340p but the support level will not be there for ever. Moreover, the tax top-up is only available to gross funds; humble taxpayers do not get the added value. Once all is said and done, what is left

is a pure hotels group with substantial debt, hardly a natural for the aggressive investment programme necessary to drive the business forward and the ambitious dividend strategy outlined in the defence. The danger is that Forte becomes caught in a kind of poverty trap: to maintain dividend cover at present levels it is going to have to double profits in three years. The business will need to be run for cash, with the hatchet cutting deep into both investment and cost.

Even on the promises made by Forte yesterday, it is not until next year that dividends recover to the level they were at in 1992/3. If you take that as your starting line, the growth in dividends through to the end of the three-year horizon of promises is just 46 per cent – not too hot, really. Nor is the prospective dividend yield any better than the market average at 3.8 per cent.

Forte has demonstrated that it is prepared to take bold and painful action in its defence, but is it enough? At this stage the battle seems to have developed the feel of an Oxford and Cambridge boat race, with Forte, the underdogs, leading at half-way by a good few lengths. Without a quite substantial rise in the bid, shareholders will certainly give Forte the benefit of the doubt. I won't be enough merely to lift the offer to 360p a share; 380p might do it but Mr Robinson would have to answer to his own shareholders for such a price. Over the next week he will have to talk long and hard, not just to Forte shareholders, but to his own, too.

It is nonsense to argue, as some have, that failure will mark a turning point in Granada's fortunes as dramatic as that which befell Hanson after its fruitless assault on ICI. But setback it will certainly be. And it will be doubly so if Granada raises the bid, with all the expense that involves, only still to fail.

Sainsbury's needs a big new idea soon

A clever enough marketing wheeze, Sainsbury's move to cut the price of 200 product lines this month, but hardly sufficient to put the once-star performer of food retailing back on track. In fact what was announced yesterday was no more than the annual re-run of similar campaigns Sainsbury's wheels out every January. It gets a good slug of cheap publicity and provides a much needed boost to sales, which are at their most sluggish at this time of year.

However, Sainsbury's needs more than this to restore its fortunes. Figures released yesterday show that Tesco and Asda are still motoring ahead while Sainsbury's market share is eroding further. Sainsbury's has tried hard not to fight the battle on price but found itself dragged back into the scrap time and again.

Trumpeting customer service, wider car parking spaces and children's trolleys are all very well but they are plainly not all that mat-

ters to the company's pampered customers. Loyalty cards, too, were spurned only to see Tesco and Sainsbury sign up millions of customers who like the idea of a little discount and special offers. In the cost conscious 90s, price seems to be the thing that matters. Sainsbury's has a new marketing director but it may need more management changes if it is to really turn the corner. Most of all it needs a big idea, and soon.

Housing recovery not likely to raise pulses

The housing market is set to recover – that is the encouraging message coming, not just from those with an axe to grind in the property business but from some independent City analysts too. They've been wrong before – but that doesn't mean they aren't right this time. The trouble is that even if the house price cheerleaders are now looking at the right crystal ball, the recovery they have in mind won't be occasion to crack open the champagne.

The Halifax – whose price index showed a fifth consecutive monthly increase in December – is predicting a modest 2 per cent rise in 1996, with transactions up by 10 per cent. The Council of Mortgage Lenders says prices will rise by 3 per cent in 1996. Price increases of this order will barely dent the levels of negative equity that still hold the market back. According to Rob Thomas,

housing analyst at UBS, a 10 per cent rise in house prices would be necessary to float three-quarters of the million households still in negative equity out of their predicament.

This block of people will continue to act as a brake on the market, as will the collective experience, so painfully learnt in the 1990s, that both nominal and real house prices can fall as well as rise. Set against these brakes on the market are some potentially powerful accelerators. House prices have fallen to levels of affordability in relation to income which haven't been seen for a generation. So, too, have mortgage interest rates – and the direction still looks downward, with the City pencilling in base rate cuts of a further half per cent by mid-year.

However, historical analogies can be misleading. The upswing in house prices that got under way in the 1980s was related to a long term rise in inflation. It was also based on a lavish subsidy from the Treasury in generous mortgage interest tax relief. In stark contrast, the 1990s are turning out to be a decade of falling inflation. The tax relief has been whittled away to a niggardly amount and housing must now compete as an investment with tax-exempt PEPs and Tesas. Mortgage interest rates may be low in nominal terms, but they remain high in real terms. A housing market recovery is now overdue. But if and when it occurs, it will feel like the overall recovery of the 1990s – nothing much to write home about.

AT&T to axe 40,000 jobs

DAVID USBORNE
New York

Four months after unveiling plans to divide itself into three separate companies, AT&T, the American telecommunications giant, served notice yesterday that it is eliminating 40,000 jobs, equal to 13 per cent of its workforce.

AT&T, which currently employs 300,000 worldwide, will take a \$6bn (£4bn) pre-tax charge in the fourth quarter to pay for the redundancies as well as for facility closures and some asset-value write-downs. It aims

to achieve 70 per cent of the lay-offs this year and the remainder after three years.

While there were no details on where most of the job-losses would occur, a company spokeswoman said 85 per cent of them would be within the US. She added: "While some percentage of it will not be in the US, we are not in a position to say what the impact will be in specific places. However, she was unable to rule out the possibility of some job cuts in AT&T's British operations. "As far as the UK is concerned, we just don't know yet," she said.

Roughly three quarters of the lay-offs will be involuntary. Only about 6,500 AT&T employees responded to a voluntary redundancy package offered by the company. Around 4,000 people may leave the AT&T payroll as units are sold-off as part of the overall break-up.

Of the three entities that will emerge from the break-up – the biggest in corporate history – the new AT&T that will continue to provide telecommunications services, will suffer the largest number of job-cuts. Also affected, however, will be

the workforce of its new equipment division.

Global Information Solutions (GIS), the computer arm of AT&T created after the 1991 buy-out of the former NCR Corporation, is not affected, however. GIS independently announced in September 8,500 redundancies, of which about half have already been implemented.

On Wall Street, where AT&T is the most widely-held stock in the US, investors appeared pleased by the news. Shares in AT&T jumped sharply higher, up \$3 to \$67 1/4 at lunchtime.

AT&T's chairman, Robert Allen, expressed regret at the lay-offs. "I truly wish we didn't have to do this downsizing. I understand how wrenching it will be for employees and their families. But the actions we are announcing today are absolutely essential if our business is to be competitive," he said in a memo to workers. "This is a key milestone that puts us right on track in our plan to create three new companies that will be positioned as strong-



Robert Allen: Laid out plans

ly as possible to succeed in their markets."

Roughly \$1.7bn of the fourth-quarter charge will arise from the writing down of the values of some of AT&T's assets, most notably that of Unitel, a Canadian communications venture. The closing down, selling or consolidation of AT&T facilities worldwide is to account for \$1.1bn.

The biggest component of the charge, \$2.6bn, will come from lay-offs, however. The company conceded that the state of New Jersey in the US, where 48,000 AT&T workers are based, will be worst affected.

Gas faces new cold war

MARY FAGAN
Industrial Correspondent

British Gas was yesterday plunged into fresh controversy over thousands of customers who were left without heating during the Christmas freeze. The Gas Consumers Council said it had warned the company in early December that there could be a disaster waiting to happen but that its words appeared to have been ignored.

Many of the customers have paid for £100-a-year Three Star contracts which led them to believe that British Gas engineers would be sent within 24 hours of a call for help.

The company said that it could not guarantee compensation for all Three Star customers who were left without the normal service in the cold spell.

A spokesman said: "We have been in the same situation as other utilities (because of the cold weather) and we have been stretched. We will look at each claim on its merits."

Ian Powe, director of the Gas Consumers Council, at-

tacked the company for blaming the cold snap, saying the problem was "fundamental" rather than seasonal. He said that in the year to the end of November 1995, complaints about Three Star contracts had already trebled to almost 1,500, and that he had written to the British Gas board voicing his concern.

Mr Powe said: "There were insufficient engineers to cope in the months to November and the problem was then exacerbated by the weather. We do not think that this is seasonal and we will be asking British Gas to either change the literature in its contracts or to take on more engineers."

Bob Frazer, director of operations at the British Gas service arm, admitted that the cold weather "caught us out", but said that the number of service engineers working in this area was "no different" than in the last few years. The company, which has 3 million contract customers, employs about 7,500 engineers on central heating and associated services. Mr Powe said he found it hard to

believe that the numbers had not been culled in the sweeping reorganisation – and thousands of job cuts – that British Gas has been implementing throughout the UK operations.

The debacle is the latest in a string of problems and public relations fiascos that have dogged British Gas since the end of 1994. Its fall from grace in the eyes of customers has astonished City analysts as British Gas was once among the best in terms of public perception.

A spokesman for the service arm said he believed the increase in complaints about Three Star contracts was partly due to the publicity the company had had over the past year.

"People are now more willing to make their point," he said. Ofgas, the gas industry regulator, said that service contracts, where British Gas was open to competition, were not its responsibility. The regulator – like the industry as a whole – was bracing itself for the start of competition in domestic gas supply, which begins in April in an area covering 300,000 homes in the South-west.

Christmas hang-up for mobiles

The mobile telephone market fell sharply in December compared with the year before when a record 400,000 people signed up for the networks, writes Mary Fagan.

Vodafone and Cellnet, the largest operators, said that in spite of the lack of any seasonal boost, 1995 was the best year for

the industry. Vodafone added 694,000 new subscribers during the year – around 20 per cent up on 1994 – bringing its total to more than 2.53 million.

Cellnet, which has lagged Vodafone in terms of subscriber base, took on 739,000 new customers and ended the year only a few tens of thousands behind

its rival. Both operators are feeling the effect of competition from Orange, the newest operator, which is owned by Hutchison Whampoa of Hong Kong. Price competition has pushed Vodafone's average revenue per customer to about £427 annually compared with around £520 in the previous year.

David Owen, at investment bank Kleinwort Benson, said yesterday: "The money figures confirm that there will be a consumer recovery. Gloom about the economy is overdue."

Although there is no link between the increase in M0 and the value of retail sales from month to month, the two tend to move together over time. Strong M0 growth in November was associated with a good

Surge in money supply fuels inflation fears

DIANE COYLE
Economics Correspondent

A surge in the amount of cash in circulation last month added weight to anecdotal evidence that retailers enjoyed a healthy Christmas.

December saw the biggest monthly rise in levels of notes and coin held by the public for more than a year, according to figures published by the Bank of England yesterday. It took holdings of cash up by £186m to just over £233bn.

The increase in the narrow money supply measure M0 – notes and coin in circulation plus banks' operational balances at the Bank of England – was the highest since early 1994.

A Treasury spokesman said it was too early to draw any conclusions but added: "It suggests spending is a bit firmer than some people had been thinking." In its Budget forecast the Treasury predicted faster growth in consumer spending this year.

David Owen, at investment bank Kleinwort Benson, said yesterday: "The money figures confirm that there will be a consumer recovery. Gloom about the economy is overdue."

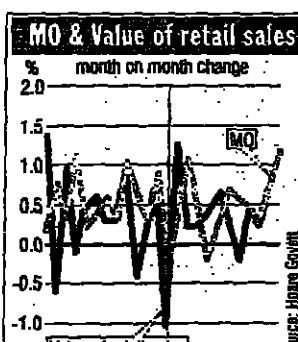
Although there is no link between the increase in M0 and the value of retail sales from month to month, the two tend to move together over time. Strong M0 growth in November was associated with a good

month on the high street. The unexpectedly big 1.2 per cent jump in M0 last month took its growth in the year to December up to 5.9 per cent from 5.6 per cent in November. The annualised three-month growth rate, which indicates the short-term trend, shot up from 5.9 per cent to 9.1 per cent.

The level of notes and coin in circulation rose by 0.8 per cent to a level 6 per cent higher than a year earlier.

In recent monetary meetings the Chancellor of the Exchequer and the Governor of the Bank of England have expressed concern about the rapid money growth.

Some economists see it as a warning signal. "The buoyancy



of M0 in itself may be no cause for alarm, but there are no grounds for complacency regarding inflation," said Helen MacFarlane, an economist at Hoare Govett.

IN BRIEF

New talks on City promotion

Angela Knight, Economic Secretary to the Treasury, will meet a group of about 60 eminent City businessmen next month to discuss the future of the Chancellor's City Promotion Panel. Mrs Knight said it was essential to ensure that the role of the Panel was widely understood. The City Corporation and lobby group London First had expressed concern that the Panel – set up last summer by Chancellor Kenneth Clarke – excluded groups such as LIFFE and the commodities exchanges, and overlapped with their own work. Michael Cassidy, chairman of the City Corporation's policy committee, said it would be prepared to fund a new secretariat to promote the City.

Gates deal delayed

Gates Rubber said last night its merger with Tomkins had been delayed, but is expected to be signed by mid-January. It said negotiations are "proceeding well" but there were a "couple of remaining issues that need further research before resolution." The companies had said an agreement would be signed on 29 December. Gates would not disclose the reason for the delay.

Pension costs cut

The cost of endowment and pension products from some insurers has fallen in the wake of new rules on full disclosure of company charges, a paper by the Personal Investment Authority, the financial watchdog, claimed yesterday. However, the PIA's survey also showed a minority of life offices are charging their clients more, suggesting they have taken advantage of rivals' higher published costs to raise their own.

New TV ad for British Airways

The first British Airways advert since the company defected to ad agency M&C Saatchi last spring is due to be launched this week. Two newly commissioned TV ads, filmed in California, mark the return of the Saatchi brothers to one of their highest-profile clients, following their acrimonious departure from Saatchi & Saatchi, now Cordiant, a year ago. Meanwhile, Cordiant announced the appointment of John Fitzgerald, formerly with McCann-Erickson, to the post of chief operating executive at Saatchi & Saatchi Advertising Worldwide, one of Cordiant's global networks. He is earmarked to replace the network's chairman, Ed Wax, who is set to retire within the next 18 months.

Take a car and five to France for £10 with the

INDEPENDENT and P&O European Ferries

We would like to invite you to start the New Year with a bargain break – a day trip to France with a car plus five passengers for just £10.

We have teamed up with P&O European Ferries to offer Independent readers a range of bargain sailings departing from either Dover or Portsmouth which may be taken until April 2, 1996.

The Dover destination is Calais and the Portsmouth sailings will arrive at Cherbourg and Le Havre. Both towns are ideal for shopping, sight-seeing and gourmet eating and would make excellent bases for a short stay.

Day trip departures from Sunday to Fridays, until 15 February, 1996, cost £10 for a car and up to five passengers. Each extra passenger costs £1 and foot passengers also pay just £1.

Day trip departures from Portsmouth on Friday nights and Dover on Saturdays cost £20 for a car and up to five passengers. The cost of extra passengers and foot

passengers remains unchanged.

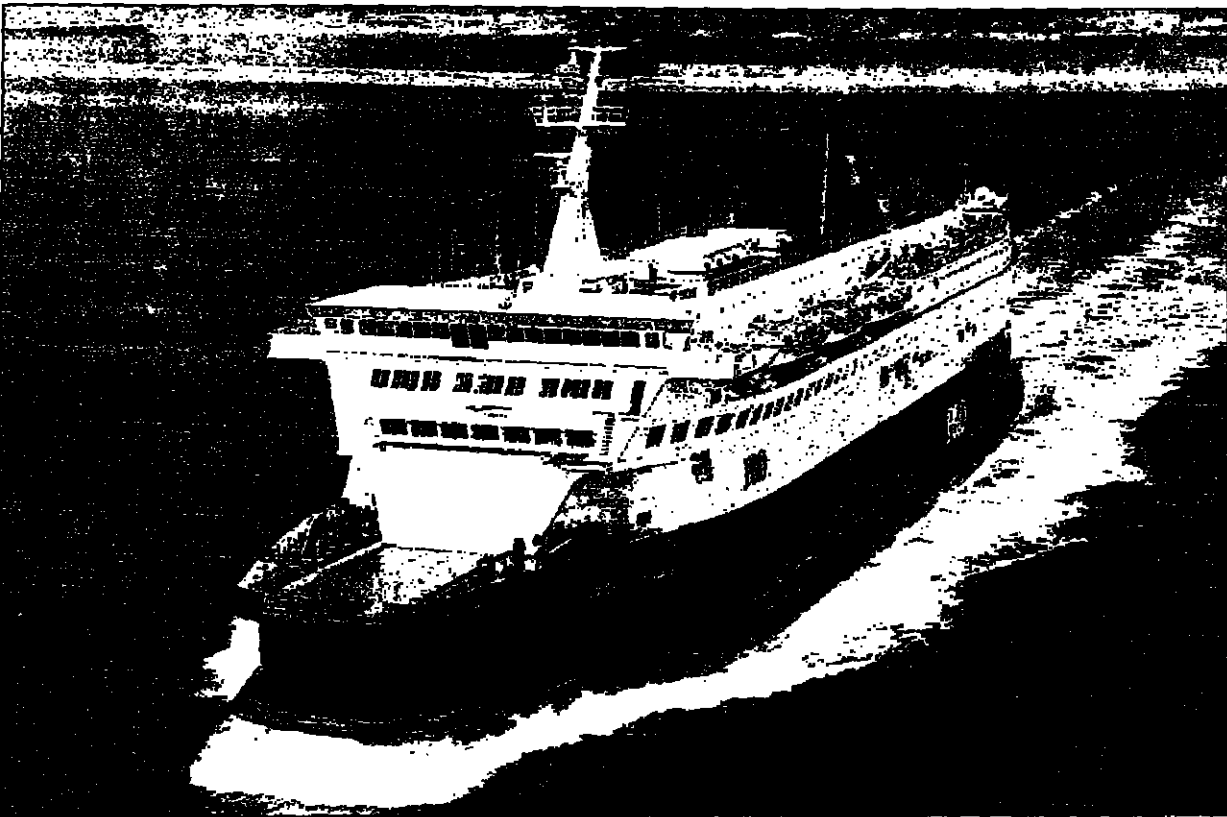
Sailings from 16 February up till 2nd April, 1996, are £10 per car and £1 per passenger or £20 per car and £1 per passenger for Saturday sailings from Dover or Friday night sailings from Portsmouth.

If you prefer to make an overnight stay in France, the cost of a 60-hour excursion is £39 for a car and up to five passengers. Extra passengers pay £4 each. Friday night departures from Portsmouth and Saturday departures from Dover are subject to a £10 surcharge. These prices do not include accommodation.

To qualify for these bargain prices you must collect four differently numbered tokens from the six we are publishing this week. Today we are publishing token three and we will give full details of how to take advantage of this offer later this week.

Full terms and conditions of this daytrip offer will appear on the P&O European Ferries Booking Request Form which will appear later this week. The of-

fers are subject to availability for tickets within the Independent's readers allocation. A day return is defined as follows: Dover/Calais route, return departure must be before midnight on the day of departure. From Portsmouth, return departure must be within 24 hours of leaving the UK.



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business

THE INVESTMENT COLUMN

Edited by TOM STEVENSON

Oil companies' attractions slip

Among the market's worst laggards until November, the oil sectors (both integrated and exploration stocks) did a good job of catching up in the final two months of the year and ended up more or less matching the All-Share's impressive growth during 1995.

There were a number of factors at work. Wall Street's continuing surge dragged the US's big oil majors higher, which in turn caused a global market for international energy stocks carried Shell and BP up. There was also an element of rotational buying as US investors searched for alternatives to the high-tech stocks that had driven the Dow's boom year and were beginning to look ever more overpriced.

At home, the earlier-than-usual cold snap meant downstream inventories ran down unexpectedly quickly which pushed the always volatile price of Brent crude sharply higher. From less than \$10 a barrel in October, the price is currently over \$18. Shell benefited from a hint to the market that it planned to maintain its dividend payout ratio, suggesting that investors would feel the full impact of any rise in earnings.

At the smaller end of the market, where most of the exploration and production tiddlers are found, a mini-wave of speculation hoisted share prices across the board.

After Arco was targeted by Arco in the summer, most analysts dismissed the bid as a one-off special situation but when Goal was bid for, attention started swinging to which company might be next in the takeover sights.

That has been the good news. Looking forward, however, it seems that both sectors have probably seen the best of their recent runs, although for different reasons.

The large integrated stocks are really an amalgam of two different cycles, chemicals and refining, together with an upstream exploration business where demand is relatively stable but pricing is out of the producing companies' hands.

Both Shell and BP benefited from historically high chemicals margins last year and it is only reasonable to assume these will fall this time – the argument between different analysts is the extent of the downturn. BZV, for its part, is expecting Shell's chemicals profits to fall from £1.29bn last year to £890m this time. BP's chemicals profits will also slip £300m.

Most of that will be made up for by improvements in refining margins

which due to overcapacity were unusually low last year, but both companies will do well to achieve more than a repeat of last year's group profits, £4.76bn for Shell and £1.99bn at BP, as it becomes apparent that improving profits in the past three years have been more about recovery and less about underlying growth.

They will receive little help from the oil price. BZV is sticking with its forecast of \$17 a barrel for 1996 as a whole.

That said, as the chart shows, there have been and remain to be seen some notable improvements in operating performance from most of the oil majors both in the US and Europe. Severe industry restructuring and a recovery in the chemicals business has put them all on a much sounder financial footing than in the black days of 1992, either paying down debt or maintaining broadly stable gearing ratios.

Improved cashflow positions have resulted in a return to more acceptable levels of profitability and within a few years the industry should be matching its cost of capital, conventionally accepted to be about 12 per cent.

How should all of this be valued in the market? Probably at a slight discount, given the cyclical nature of the

integrated companies' main businesses and the low growth prospects for their remaining activity.

On the basis of BZV's forecasts, Shell stands on a prospective p/e ratio of 16.5 this year and BP on 14.5. That compares with 13.6 for the market as a whole, suggesting little upside.

At the smaller end of the market, the 15 per cent rise in the exploration index over the past two months, has probably taken most of the shares to a sensible compromise between their former prices and the amount a notional bidder might be prepared to pay. Lomo and Enterprise, neither integrated nor potential bid target, are respectively fairly priced and expensive.

Zergo profits from good press

In its six months of existence the Alternative Investment Market has provided plenty of proof that shares in small, young companies can be volatile investments. Even in that context, however, yesterday's performance from

Zergo Holdings was dramatic. Shares in the company, which develops anti-hacking software for computers, rocketed 80p to 250p on nothing more substantial than a "buy" recommendation in a rival newspaper. At one stage they rose as high as 290p, despite no trades being recorded in the stock.

The main reason for the rise is that, like a lot of AIM companies, Zergo has a relatively small number of shares in issue. This makes them difficult for investors – particularly smaller investors – to buy. It also means that the slightest whiff of good news – or bad – can send the shares into orbit or free-fall.

But Zergo is far from all hype and no substance. The company has developed a useful niche in producing anti-hacking software and other information security for the financial sector. Two weeks ago it launched a new firewall system for the encryption of credit card numbers on the Internet.

As the risks of banking and other forms of computer crime grow, security systems will become increasingly important. So far Zergo has built up a blue-chip client list which includes the Bank of England, Lloyds Bank and ABN Amro. It is also one of the service providers to Crest, the Stock Exchange's new automated settlement system.

Zergo only came to AIM in September, when its shares were priced at 97.5p, but it was founded eight years ago by Professor Henry Becker, a world-wide authority on information security who spent 11 years at Royal. Though small, and not without competitors, it has developed technology that even larger rivals will be hard pushed to beat.

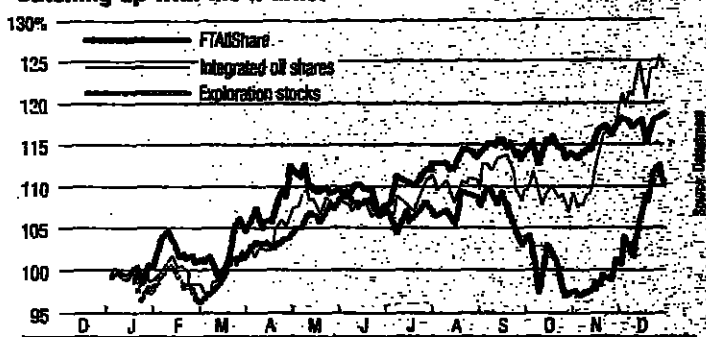
The company is still very much in its formative stages. Last month the company issued results for the six months to October which showed a pre-tax loss of £479,000 on sales of £4m compared with a £46,000 profit in the previous year. However, the company says it expects to be modestly profitable in the full year. No dividend is expected yet as the company will invest profits into developing products.

Fund managers who follow AIM stocks remain positive on the shares due to the company's innovative products and the prospects of expanding into other sectors outside financial institutions.

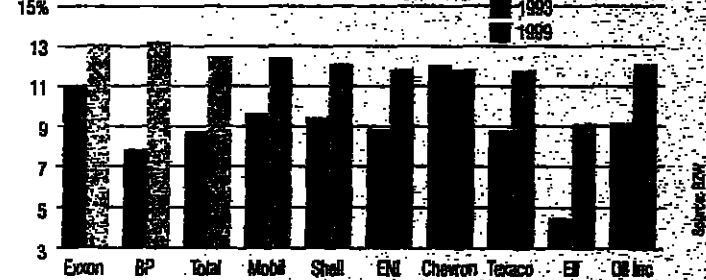
An attractive bet, if you can get hold of the shares, though not without substantial risk.

The oil sector: at a glance

Catching up with the market



Improving returns projected



Simon Pincombe CITY DIARY

Yorkshire brawn and Yorkshire bread



Tony Yeboah: Agent demanded brass before puddings

Leeds United may yet regret bringing on M' Learned Friends against Nordale Country Foods. The local firm had been sponsoring Tony Yeboah, the prolific striker, to the tune of two Yorkshire puddings for every goal he scored plus one for each of his team mates. Such are the talents of the Ghanaian international that the arrangement resulted in lorry-loads of pudding being sent to the football club, including one delivery of more than 250.

Nordale naturally felt that Mr Yeboah's success was down to the supply of Yorkshire pudding – a sentiment not shared by the club or Mr Yeboah's agent who felt that the food manufacturer was exploiting the "Yeb-Pud" factor.

Indeed, the agent was of the predictable view that his client should be paid in money rather than puddings.

Solicitors for Leeds United have since written to Nordale instructing the company to stop sending puddings. The implied threat was that if it did not then Leeds would blame the alleged pudding diet on any subsequent loss of the footballer's form.

Nordale duly complied. Since when Mr Yeboah has had something of a fallow patch.

To Verbier for the Christmas break where one is confronted by the party of Geoffrey Gestetner, scion of the office equipment dynasty. The Hanson-trained executive, now installed at BTR's shower division, has taken

Blank looks at BT following an enigmatic inaugural address from the new chief executive. "My message for 1996 is simple," promised Sir Peter Bonfield, late of ICL. "Fasten your seatbelts, we're in for a roller-coaster ride". Unfortunately, the freshly-knighted executive declined to elaborate on the call to arms, leaving the wider audience none the wiser as to what lies ahead. It was left to chairman Sir Iain Vallance to smooth things over by blathering on about his Sir Peter's "dedication to quality management". Watch this space.

an apartment for the season in the exorbitantly-priced resort, some say in the hope of attracting a suitable mate.

The former Cambridge boxing blue (a heavyweight, so words must be chosen carefully) is certainly eligible – in an obvious sort of way. But he has not been seen out much, preferring to entertain chez Geoffrey and indulge his passion for cooking.

Visitors should note that Mr Gestetner has not left his commercial acumen back at the office. One guest reports being charged £250 for four nights.

The centenary of Knight Frank, the upmarket estate agent that has finally ditched the unfortunate Rutley, has already received more publicity than it deserves. However, one pertinent fact emerges in the commemorative

brochure. And that is the quality of the firm's Christmas lunches. Much like Mr Gestetner (above) the KFR people have a taste for the high life and the 1994 Christmas lunch was a lively do at Val Thorens in France "10,000 feet up in the Alps".

Ever the salesman, the firm cannot resist a quick pitch. "KFR has acted for many showbusiness personalities," notes the brochure. "Including Hugh Grant." Does this mean the actor has finally been given his marching orders by Elizabeth Hurley? We should be told.

Some fine-tuning to the London Stock Exchange's share reclassification was the order of the day yesterday after a few companies began 1996 in strange territory. John Foster & Son was a glaring example. The no-nonsense mohair top maker and spinner, looked particularly out of place in the "alcoholic beverages" sector before it was quickly moved.

Hambro Countrywide announces the resignation of A. Gunn. It's a good job he wasn't fired.

Firecrest nets £1m from handset rights

MATHEW HORSMAN

Firecrest, the high-flying Internet services and promotions company, has sold selective rights to its Transphone handset to Telecom Credit Europe for £1m.

The deal marks the latest in a series of Internet-related announcements from the small publicly quoted company, which late last year announced a new software licensing agreement to offer international phone ser-

vice through the Internet for the price of a local call.

Transphone, the company's proprietary handset, allows users to make phone calls through their computers without the need for speakers or microphones. It also includes equipment for smart and swipe cards, allowing charges to be made for services offered electronically.

Roy Capper, Firecrest's chief executive, said the swipe and smart card facility would attract

the interest of Internet service suppliers and reassure users that their credit card numbers would not be liable to fraudulent misuse. "There has been concern, most of it unfounded, that the Internet is not secure," Mr Capper said.

He added that the company expected smart-card technology to be introduced more widely in Europe, replacing the swipe cards now widely in use. Unlike swipe cards, smart cards carry data that can be updated.

The Transphone must be used in conjunction with software like Digiphone, although the system can also work with competing products.

Yesterday's deal gives Telecom Credit Europe, which operates credit-card payphones, exclusive rights to market the Transphone in Austria, Germany and Switzerland, in exchange for Telecom Credit shares of up to 2 million, representing just under 20 per cent of the company.

Zeneca boosted by US approval for new breast cancer drug

TOM STEVENSON
City Editor

Zeneca took another step towards its goal of being the world's largest cancer drug group yesterday when it received clearance from the American Food and Drug Administration to market Arimidex, a new treatment for advanced breast cancer in post-menopausal women.

Analysts welcomed the final approval, which could lead to peak sales of Arimidex in perhaps five years of £260m, a sizeable contribution to the company's pharmaceutical sales, just over £2bn last year and forecast to reach £3.3bn by 2000. The shares closed 6p higher at 1.252p.

Tom McKillop, chief executive of Zeneca's pharmaceuticals arm, said: "Current hormonal therapies for advanced breast cancer have limitations, particularly in terms of patient acceptability. Arimidex represents an effective and well-tolerated therapy."

He added that Zeneca, headed by David Barnes, would be evaluating the use of the drug in the treatment of early breast cancer, a much larger market. According to the American Cancer Society, an estimated 184,300 women will be diagnosed with breast cancer in 1996. Zeneca believes that, despite screening campaigns to detect the disease in its early stages, 18,000 women in the US have advanced breast cancer.

About one woman in eight is expected to develop breast cancer at some time in her lifetime. The market for hormonal therapies to treat breast cancer in



On a high: David Barnes of Zeneca which has had another drug approved in the US

America was valued at \$300m in 1994. Arimidex is effective because of the way it counters the growth of tumours stimulated by the female hormone oestrogen. In post-menopausal women, one of the main targets for anti-cancer drugs is non-ovarian synthesis of oestrogen, a process that Arimidex blocks. Zeneca has already submitted Arimidex for approval in all the main drug markets around the world. The treatment is already available in the UK and

further approvals are expected this year. The company generates about a third of its revenues from cancer treatments, which include Nolvader, another breast cancer drug, which had sales in 1994 of £350m. Approval was also received last October for Casodex, which combats advanced prostate cancer. Tomudex, the first new colorectal cancer treatment for 35 years, is expected to be launched in the UK in the first quarter of the year.

The good news on Arimidex comes hot on the heels of Zeneca's announcement just before Christmas that it planned a sharp increase in its spending on drugs research and development.

According to Peter Doyle, group research and development director, R&D spending of about £550m a year, will grow faster than inflation and the proportion of group funds spent on drugs rather than agrochemicals will increase to about two thirds.

finance & legal

A 5 page appointment section covering vital issues in accountancy, public sector finance and the legal profession.

See pages 13 - 17 section two

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Every Wednesday in the INDEPENDENT section two

IN BRIEF

Abbeycrest lifts sales 3%

Abbeycrest, the UK's largest designer and manufacturer of gold and jewellery, said sales in the 10 months to 31 December 1995 were 3 per cent ahead of the previous year. The board also unveiled plans for a strategic reorganisation intended to facilitate future growth. Under this, the group said it will take a maximum charge of £450,000 in its 1995/96 financial year.

The board said a new company, G&A Ltd, is to be established to merge the operations of the two principal operating companies, Abbeycrest Jewellers in Leeds and Gallery Jewellers in Birmingham.

Hickson completes \$35m disposal

Hickson, the troubled specialty chemicals supplier, has completed the disposal of Hickson Kerley, its US subsidiary, to Tessenderlo Group for \$34.75m (£22.5m). The sale does not include a production site in California which has the potential for alternative use. Hickson, which is still looking to replace Dennis Kerrison, who resigned as chief executive two months ago, is also looking to sell two other businesses, Hickson Performance Chemicals in South Africa and Hickson Specialties in the US.

New Look sold for £170m

New Look, the fashion retailer that abandoned its stock market listing last year, has been sold to a group of venture capitalists for £170m. BZV Private Equity and Prudential Venture Managers are leading the acquisition though founder Tom Singh and his family will retain a 25 per cent stake.

Changes at Perkins Foods

Perkins Foods has appointed Ian Blackburn deputy chief executive. He will continue as finance director and also be responsible for the Corgel Group and UK Chilled Foods.

Daimler-Benz Aerospace lift-off

Germany's Daimler-Benz Aerospace plans to invest hundreds of millions in expanding its space technology activities. The company is aiming to generate sales of around DM1bn from its communications satellites business, about 30 per cent of which will be from mobile telecommunication services.

BTR raises £88m from chemical arm

BTR has sold its minority interests in the Titan petrochemical businesses to joint venture partners for £88.5m. The sale continues the industrial conglomerate's strategy of selling non-core interests to concentrate on its global industrial manufacturing operations.

Invesco buys into Hong Kong

Invesco, the Anglo-American fund management group, announced yesterday that it had bought Aetna Investment Management (Hong Kong) from the US insurance company Aetna for \$10m. AIM (HK) has \$1.1bn (£640m) in funds under management.

Booker sells bacon firms to Unigate

DAVID HELLIER

Booker, the food group, yesterday announced the sale of its two bacon businesses to Unigate for £20.25m.

The sale will be used to reduce Booker's net debt and will cut the group's year-end borrowing levels by between 10 and 15 per cent unless the price is adjusted on completion of a thorough checking of the accounts.

In the year ended 31 December 1994, the turnover of the businesses, Stocks Lovell Limited and Lovell & Christmas (Ulster) Limited, was £83.7m

and pre-tax profits were £2.4m. The businesses are thought to have made lower profits and may only have broken even in 1995.

Charles Bowen, Booker's chief executive, said: "The sale marks our exit from the bacon and pork processing businesses at a satisfactory price. We believe that with our increasing focus on food distribution, fish processing and agribusiness, it is more appropriate that they join Unigate, which is already a strong force in this industry."

Mr Bowen added that group sales for the year as a whole

were satisfactory, up 13 per cent on the previous year and 6.5 per cent ahead on a like-for-like basis.

Booker's shares rose 6p to 364p after the sale announcement and the trading up-date.

Unigate's finance director, John Worby, said that the Irish business of Lovell & Christmas had not been doing very well. He declined to comment on what steps the group would be taking to mitigate the downturn but said the intention was to expand the group's pig meat business and not to contract it. "We see some good synergies

and growth opportunities from the deal," he said.

Mr Worby added that it was "too early" to say whether jobs at the Irish or UK plants would be affected.

The sale of the bacon businesses will leave Booker with just three small pre-packaged food businesses in its portfolio – Turner's pies and sausages, Buckingham Foods and Headland Foods. Booker's finance director, John Kison, said there were no immediate plans to sell these businesses. "They are trading reasonably well and all are profitable," he said.

SPY 200 1520

unit trusts/data

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Foreign Exchange Rates

STERLING		DOLLAR		D-MARK
Country	Spot	1 month	3 months	Spot
U.S.	155.68	0-2	38-43	100.00
Canada	124.40	0-4	100.00	0-3
France	222.93	55-58	54-54	74-77
Germany	70.94	19-20	19-24	24-22
Italy	242.62	77-78	228-269	37-35
Japan	191.00	21-22	207-208	65-72
Switzerland	124.97	19-20	120.00	13-15
Netherlands	43.98	0-2	31-33	28-48
Belgium	250.70	55-56	54-55	57-47
Spain	165.00	19-20	19-20	19-20
Sweden	250.06	63-64	58-58	31-29
Denmark	0.9829	0-8	24-18	10-67
Norway	250.00	27-75	34-283	50-50
Finland	125.00	19-20	19-20	37-42
Portugal	13.35	16-22	50-51	165.00
Switzerland	125.70	26-27	24-24	73-75
Australia	21.90	9-21	45-53	54-50
New Zealand	22.00	9-10	45-50	54-50
Hong Kong	250.00	25-26	77-77	2-2
Manila	250.00	25-26	77-77	2-2
Yokohama	250.00	25-26	77-77	2-2
London	250.00	25-26	77-77	2-2
San Francisco	250.00	25-26	77-77	2-2
Los Angeles	250.00	25-26	77-77	2-2
San Jose	250.00	25-26	77-77	2-2
San Juan	250.00	25-26	77-77	2-2
San Pedro	250.00	25-26	77-77	2-2
San Salvador	250.00	25-26	77-77	2-2
San Jose	250.00	25-26	77-77	2-2
San Juan	250.00	25-26	77-77	2-2
San Pedro	250.00	25-26	77-77	2-2
San Salvador	250.00	25-26	77-77	2-2
San Jose	250.00	25-26	77-77	2-2
San Juan	250.00	25-26	77-77	2-2
San Pedro	250.00	25-26	77-77	2-2
San Salvador	250.00	25-26	77-77	2-2
San Jose	250.00	25-26	77-77	2-2
San Juan	250.00	25-26	77-77	2-2
San Pedro	250.00	25-26	77-77	2-2
San Salvador	250.00	25-26	77-77	2-2
San Jose	250.00	25-26	77-77	2-2
San Juan	250.00	25-26	77-77	2-2
San Pedro	250.00	25-26	77-77	2-2
San Salvador	250.00	25-26	77-77	2-2
San Jose	250.00	25-26	77-77	2-2
San Juan	250.00	25-26	77-77	2-2
San Pedro	250.00	25-26	77-77	2-2
San Salvador	250.00	25-26	77-77	2-2
San Jose	250.00	25-26	77-77	2-2
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San Pedro	250.00	25-26	77-77	2-2
San Salvador	250.00	25-26	77-77	2-2
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San Pedro	250.00	25-26	77-77	2-2
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San Pedro	250.00	25-26	77-77	2-2
San Salvador	250.00	25-26	77-77	2-2
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San Salvador	250.00	25-26	77-77	2-2
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San Pedro	250.00	25-26	77-77	2-2
San Salvador	250.00	25-26	77-77	2-2
San Jose	250.00	25-26	77-77	2-2
San Juan	250.00	25-26	77-77	2-2
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San Salvador	250.00	25-26	77-77	2-2
San Jose	250.00	25-26	77-77	2-2
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San Pedro	250.00	25-26	77-77	2-2
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San Pedro	250.00	25-26	77-77	2-2
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San Juan	250.00	25-26	77-77	2-2
San Pedro	250.00	25-26	77-77	2-2
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San Jose	250.00	25-26	77-77	2-2
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San Pedro	250.00	25-26	77-77	2-2
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San Juan	250.00	25-26	77-77	2-2
San Pedro	250.00	25-26	77-77	2-2
San Salvador	250.00	25-26	77-77	2-2
San Jose	250.00	25-26	77-77	2-2
San Juan	250.00	25-26	77-77	2-2
San Pedro	250.00	25-26	77-77	2-2
San Salvador	250.00	25-26	77-77	2-2
San Jose	250.00	25-26	77-77	2-2
San Juan	250.00	25-26	77-77	2-2
San Pedro	250.00	25-26	77-77	2-2
San Salvador	250.00	25-26	77-77	2-2
San Jose	250.00	25-26	77-77	2-2
San Juan	250.00	25-26	77-77	2-2
San Pedro	250.00	25-26	77-77	2-2
San Salvador	250.00	25-26	77-77	2-2
San Jose	250.00	25-26	77-77	2-2
San Juan	250.00	25-26	77-77	2-2
San Pedro	250.00	25-26	77-77	2-2
San Salvador	250.00	25-26	77-77	2-2
San Jose	250.00	25-26	77-77	2-2
San Juan	250.00	25-26	77-77	2-2
San Pedro	250.00	25-26	77-77	2-2
San Salvador	250.00	25-26	77-77	2-2
San Jose	250.00	25-26	77-77	2-2
San Juan	250.00	25-26	77-77	2-2

OTHER SPOT RATES

Country	Sterling	Dollar	Country	Sterling	Dollar
Argentina	15933	69389	Nigeria	134378	683000
Australia	87722	102530	Oman	53595	138250
Brazil	12546	53722	Pakistan	512774	294000
Canada	22520	83380	Philippines	403851	262500
China	53523	34700	Portugal	232728	148450
Finland	57545	13300	Romania	54650	156500
France	22632	143800	Russia	726500	465000
Greece	368357	25000	South Africa	58725	365430
India	547875	352000	Taiwan	424698	272730
Kuwait	40992	12594	UAE	5784	35750

Tourist Rates

C Boys		B Boys		S Boys	
Australia (Dollars)	28000	France (Francs)	73000	New Zealand (Dollars)	23600
Australia (Scheffels)	55000	Germany (Marks)	21500	Norway (Krone)	99400
Brazil (Cruzeiros)	440000	Germany (Dollars)	363000	Portugal (Escudos)	225000
Canada (Dollars)	26500	Hong Kong (Dollars)	11200	Spain (Pesetas)	1615000
Cyprus (Pounds)	16350	Ireland (Pounds)	9500	Sweden (Kronor)	102000
Denmark (Kroner)	63400	Italy (Lira)	3400000	Switzerland (Francs)	17000
Finland (Markkas)	2420	Japan (Yen)	67300	Turkey (Liras)	6982000
France (Dollars)	86500	Malaysia (R)	55375	United States (Dollars)	15000

Interest Rates

UK		Germany		US		Japan	
Rate	6.50%	Discount	3.00%	Prime	8.75%	Discount	0.50%
France		London	5.00%	Discount	3.25%	Belgium	
Intervention	4.70%	Credit		Fed Funds	5.40%	Discount	3.00%
Italy		Prime	7.75%	Spain		Central	375%
Netherlands	9.00%	Discount	6.12%	10-Day Rate	3.25%	Switzerland	
Norway		Denmark		Sweden		Discon	150%
Advisors		Discount	4.25%	Repo (few)	0.91%	Lombard	412%

Bond Yields

Country	Syr	yield %	10yr	yield %	Country	Syr	yield %	10yr	yield %
UK	5%	6.65	6.2%	5.95	Netherlands	4%	4.8	4.4	4.55
US	5.5%	5.21	5.7%	5.65	Spain	6.25%	5.31	10.65	9.57
Japan	5.6%	5.81	6.4%	5.80	Italy	10.5%	10.25	10.10	10.71
Australia	7%	7.34	7.4%	6.85	Belgium	7.75%	5.51	6.1%	6.67
Germany	5.4%	4.75	6.1%	5.57	Sweden	11%	7.89	6%	8.38
France	7%	5.28	5.7%	6.55	ECU OMT	5.75%	5.01	7.7%	5.90

Sources: HEC Market Research Yields calculated on local basis * Denotes new borrowers

Money Market Rates

	0'Night	7 Day	1 Month	3 Months	6 Months	1 Year
Interbank	5	6 1/4	6 1/2	6 3/4	6 3/4	6 1/2
Swirling CDs	5	6 1/4	6 1/2	6 3/4	6 3/4	6 1/2
Local Authority Deps	5	6 1/4	6 1/2	6 3/4	6 3/4	6 1/2
Discount Market Deps	5	6 1/4	6 1/2	6 3/4	6 3/4	6 1/2
Treasury Bills (Buy)	5	6 1/4	6 1/2	6 3/4	6 3/4	6 1/2
Dollar CDs	5	6 1/4	6 1/2	6 3/4	6 3/4	6 1/2
ECU Linked Deps	5	6 1/4	6 1/2	6 3/4	6 3/4	6 1/2

Liffe Financial Futures

Contract	Settlement price	High/Low for day	Est/Cons traded	Open interest
Long Gai (Mar 96)	70.18	70.30	70.07	42344
Gannett Bond (Mar 96)	98.75	98.86	98.84	3393
U.S. Govt (Mar 96)	103.75	103.75	103.75	59773
Walmart Bond (Mar 96)	109.4	109.38	108.25	27948
3M Starting (Mar 96)	93.71	93.75	93.75	2009
	93.62			2052
3M Euro (May 96)	94.67			6
3M Eurstart (May 96)	96.48	96.47	96.44	1676
3M Eurostart (Jun 96)	96.48	96.51	96.55	908
E.C.U. (Mar 96)	96.09	96.11	95.09	499
	95.38	95.08	95.17	216
Enron SPN (Mar 96)	96.09			2544
FTSE 100 (Mar 96)	3717.0	3728.0	3670.0	7630
FTSE 200 (Mar 96)	4055.0			0
	39.78	39.83	39.7	7895

Liffe FT-SE Index Option

Settlement price: 3688.0	closing offer price			Call/Put Total/void
Series	3600	3650	3700	3750
January	109/7	85/4	33/33	13/64
February	133/20	96/33	85/53	41/80
March	151/38	118/52	86/72	62/98
April	162/58	131/78	103/98	80/125

Commodities

INDUSTRIAL METALS - London Metal Exchange									
		Dec 1		Dec 2		Volume	LME Stocks	chg	
Alu	HG	1675-76	1657-58	38/84			546245	+	6375
Alu	Alloy	1452-55	1455-58	102			280240	+	1740
Copper	A	2860-67	2823-30	67/31			626645	+	1725-27
		688-97	688-97	1032					
Nickel		7657-58	7610-15	17378			44002	-	50
		6276-83	6260-63	1045			52005	-	50
Zinc		917-96/85	789-90	70687			100000	-	3300
Settlements Dec 2									
		Dec 1	Dec 2	Dec 2					
		US\$/tonne	US\$/tonne	US\$/tonne					
Stock volumes & changes in tonnes as at Friday 29 December									
PRECIOUS METALS									
per oz (net)		£		Cdn\$					
Platinum	40,000	25780	25810	405	261	Krug/Tenars	36182	245/52	
Palladium	30,000	92,50	93,00	204	191	Sov	96,650	57/80	
Gold	350	254,00	254,00	40	31	US	98,000	222/00	
Gold Bull	3,820	254,000	254,000	48	31	Maple Leaf	362,040	222/01	

AGRICULTURAL		
Cocoa	Cotton	Rubber
1950	1950	1950
1951	1951	1951
1952	1952	1952
1953	1953	1953
1954	1954	1954
1955	1955	1955
1956	1956	1956
1957	1957	1957
1958	1958	1958
1959	1959	1959
1960	1960	1960
1961	1961	1961
1962	1962	1962
1963	1963	1963
1964	1964	1964
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1970	1970	1970
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1972	1972	1972
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1974	1974	1974
1975	1975	1975
1976	1976	1976
1977	1977	1977
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1980	1980	1980
1981	1981	1981
1982	1982	1982
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1986	1986	1986
1987	1987	1987
1988	1988	1988
1989	1989	1989
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1991	1991	1991
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1994	1994	1994
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2004	2004	2004
2005	2005	2005
2006	2006	2006
2007	2007	2007
2008	2008	2008
2009	2009	2009
2010	2010	2010
2011	2011	2011
2012	2012	2012
2013	2013	2013
2014	2014	2014
2015	2015	2015
2016	2016	2016
2017	2017	2017
2018	2018	2018
2019	2019	2019
2020	2020	2020
2021	2021	2021
2022	2022	2022
2023	2023	2023
2024	2024	2024
2025	2025	2025
2026	2026	2026
2027	2027	2027
2028	2028	2028
2029	2029	2029
2030	2030	2030
2031	2031	2031
2032	2032	2032
2033	2033	2033
2034	2034	2034
2035	2035	2035
2036	2036	2036
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2042	2042	2042
2043	2043	2043
2044	2044	2044
2045	2045	2045
2046	2046	2046
2047	2047	2047
2048	2048	2048
2049	2049	2049
2050	2050	2050
2051	2051	2051
2052	2052	2052
2053	2053	2053
2054	2054	2054
2055	2055	2055
2056	2056	2056
2057	2057	2057
2058	2058	2058

[illegible]

Jan	Mar (No.3) TM	Stone
Jan	Mar	Stone

[illegible]

COMMODITY INDICES

USDC indices	Base date	+Spot	+May City	+June 30	+7 yr bid city	Year ago	% Yr chg
Index	1970-100	203.50	+080	307.67	+8.58	19853	+18.69
Agricultural	1970-100	176.76	+42.5	248.01	+7.61	24656	+23.35
Grains	1985-100	51.73	+144	565.01	+29.08	5942	+22.07
Industry Metals	1977-100	155.72	-139	273.93	-1.28	27146	-11.1
Manufact	1970-100	192.31	-136	362.12	-8.22	36104	-0.80
Previous Metals	1972-100	459.89	+023	482.21	+25.4	49570	+0.85

Source: Goldman Sachs & Co. 1982-13 is industry and agriculture of Goldman Sachs & Co. 1985 is as of 70 day %.

100 Largest Insurance Funds

[illegible]

sport

Turf's losses leave the field to Lottery

Greg Wood on how the freeze has dealt racing a losing ticket

If 1995 was the year when racing and bookmakers struggled in the face of competition from the Lottery, 1996 has so far been the year when the turf offered no competition at all. Tracks around the country are slowly returning to a raceable condition, but while the Lottery prepares for its first double rollover draw, the only alternative attraction for the punters' pound yesterday was a meeting on the sand at Langford.

Little wonder then that the British Horseracing Board yesterday announced cuts in minimum prize-money values, a move which was inevitable following the Levy Board's recent decision to reduce its funding to racing by more than £3m. The minimum values of Flat races will be reduced by an average of 5.2 per cent, although the owners of jumpers will fare better, with purses remaining at or near their 1995 level.

A blank period in the racing schedule is never welcome, but it is difficult to imagine any time when the recent freeze might have done more damage. Bookmakers estimate an industry-wide loss of turnover of between £90m and £100m, with the loss of all 10 meetings on Boxing Day, for the first time since 1963, a particularly painful blow. Inevitably, this shortfall will eventually find its way to the Levy, too.

These losses, of course, cannot be retrieved. "Come Boxing Day and the few days afterwards, people are crying out for something to do," David Hood, of William Hill, said yesterday. "With no racing to occupy them they'll be straight to the sales, and I expect the



Out of the gloom at Lingfield yesterday in the race won by Charterhouse Xpress (right) but racing's income has been badly affected by the freeze. Photograph: Robert Hallam

high-street shops will have had a minor boom.

"Then there's the Lottery as well. We've done as much as we can to highlight the bad value of the Lottery and I think, generally, punters are aware of that, but at the end of the day if they haven't got racing to enjoy in their leisure time they're going to use their money on the Lottery instead."

Camelot's already vast advertising spend will be supported by huge free publicity in newspapers and on television in the run-up to Saturday's double rollover draw, and Hood is surprised that racing can offer next to nothing in response. "It would seem that all-weather racing isn't being used for its original purpose, which is as a contingency for periods like

this. The last two weeks of December don't have any all-weather racing, and it would be better to bring everything back a fortnight so there's something covering the Christmas period."

Racecourses too expect to benefit from the "must get out" factor at Christmas, and many have lost their most valuable fixture of the year. At Chesham, Rodger Farrant, the

clerk of the course, was forced to call off the Welsh National meeting for the second successive season.

Like most tracks, Chesham was insured against bad weather, but the cheque will cover only their expenses, and not the revenue expected from a bumper crowd. "It's a big financial blow to us," Farrant said. "We'd have hoped for a crowd

of up to 12,000 and to take about £150,000, plus all the bits and pieces like betting and catering."

The Welsh National meeting was, somewhat ironically, moved from February to its present Christmas date after it was lost three years running in the late 1970s. Farrant is understandably keen that history should not repeat itself, but he

will be renewing the insurance policy just in case.

"The premium this year was considerably higher than last year, and I hesitate to think what it might be next time," he said, before adding, with optimism of which any punter would be proud: "Of course, I don't believe the gods could ever be so unkind to us three years in a row."

Gale can take to the air for King George

Jim Deane believes he can solve the transportation problems that had threatened the participation of Merry Gale in Saturday's King George VI Chase by securing a berth on one of the regular flights that transport breeding stock between Ireland and Britain.

The prospect of another expensive return trip to Britain—and no financial assistance from the host course—had threatened to rob the contest of one of its main attractions.

One Man is a possible defector if the ground is heavy but Sandown's clerk of the course, Andrew Cooper, dismissed such a prospect yesterday.

Today's meeting at Musselburgh (Edinburgh) has been abandoned due to frost.

RESULTS

LINGFIELD

12.30: 1. WOTASHAMBLE (R) 10.00. 2. Captain Man (R) 10.10. 3. Red Spectre (R) 10.20. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100. 101. 102. 103. 104. 105. 106. 107. 108. 109. 110. 111. 112. 113. 114. 115. 116. 117. 118. 119. 120. 121. 122. 123. 124. 125. 126. 127. 128. 129. 130. 131. 132. 133. 134. 135. 136. 137. 138. 139. 140. 141. 142. 143. 144. 145. 146. 147. 148. 149. 150. 151. 152. 153. 154. 155. 156. 157. 158. 159. 160. 161. 162. 163. 164. 165. 166. 167. 168. 169. 170. 171. 172. 173. 174. 175. 176. 177. 178. 179. 180. 181. 182. 183. 184. 185. 186. 187. 188. 189. 190. 191. 192. 193. 194. 195. 196. 197. 198. 199. 200. 201. 202. 203. 204. 205. 206. 207. 208. 209. 210. 211. 212. 213. 214. 215. 216. 217. 218. 219. 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sport

FA CUP COUNTDOWN: Spurs' visit to Edgar Street on Saturday will severely test the ambitions of their manager, Phil Shaw reports

Turner's prize Bulls go in search of credibility

The cattle market next to the football ground was in full swing the day the new manager arrived at Hereford United last summer. Graham Turner jokes that he thought the crowds were there to welcome him, but the Bulls, rather than the bulls, will indeed be the cause of a clamour on Saturday.

Hereford, 15th in the Third Division, tackle Tottenham Hotspur, 80 places above them at fourth in the Premiership, in a classic third-round FA Cup encounter at Edgar Street. For Turner, whose last run in the competition ended when his Wolves team lost at Chelsea in a quarter-final, it is the kind of occasion he craved during 16 months spent seeking suitable employment in the aftermath of that exit.

So much has happened at Wolves since then - Graham Taylor came and went, while Mark McGhee has come and is still there at the time of writing - it seems incredible that Turner's tenure did not end until two years ago in March. He appears destined to be cast as a failure, a version he disputes firmly but without bitterness.

Wolves had suffered three successive relegations when he took over and were lower in the former Fourth Division than Hereford are now. They had also endured two receiverships, making Turner's £60,000 outlay on a raw reserve from West Bromwich a major gamble.

Steve Bull went on to play for England. Turner, meanwhile, led Wolves to the upper First via Wembley. Crowds rose from 3,000 to 23,000 and there was almost £1m in the bank. All that, he adds pointedly, was before the Hayward family bought the club, raising expectations to frenzied heights.

When Turner finally accepted he would not be the one to realise them, he resigned from the club he supported as a child. "I'd like to think I'll be remembered with respect by the Wolves fans," he says. "I got some abuse in my last 18 months, but I hope that if I ever took a team back there they'd show some appreciation for what we did over my seven and a half years."

"Most of the Haywards' money when I was there went into rebuilding Molineux. It was only the last summer that I had money for players, though nowhere near as much as Graham Taylor. The feedback I've



Points to prove: after 16 months in football's wilderness Graham Turner is back at Edgar Street with dreams of killing a giant

had since I left is that they now realise how difficult the job is. "I felt I'd half-completed it, and it was the belief that I could see it through that kept me there. A lot of the stick was coming from people who wouldn't go near the club when they were at rock bottom."

"It all came to a head at Chelsea. I actually resigned after we played Portsmouth a few days later, but that was academic. I'd already decided that was it."

Did he feel sympathy for Taylor when he faced similar vilification? "I wouldn't wish that on anybody. Yet if anyone had ample opportunity to do things right with what I left there plus £7m..."

Turner was confident he would soon find a club and rejected offers from Greece and Cyprus. For three months it was "very pleasant" to spend more time with his family and to wake up on Saturdays "without the twinges in the pit of your stomach". Then the withdrawal symptoms started.

"I desperately wanted to get back in. I haven't known anything else in life, so I missed the adrenalin flowing on match days and working with players in training. I had a near miss with the Ipswich job, and with Notts County, but I began to think about Chris Nicholl, who did well at Southampton but was out of

work three years before going to Walsall. "You just have to wait for someone to suffer the same mis-

'We're hoping for a romantic underdog's victory... if they're slightly off their game and we raise ours, you never know'

fortune as you. It's a unique situation in that you can actually study the vacancies on Teletext as they happen. But there's nothing worse when a manager is under pressure than to see out-of-work managers sat in the stand and talking to a director.

"It's a horrible profession when it's like that, though there's not many about who are that predatory. When I was scouting

ball, famed for their giant-killing - Ronnie Radford would be a rich man if he received a royalty every time his goal against Newcastle was shown - they were facing an 18th successive season in the bottom flight.

Even the Cup tradition had lapsed. Hitchin, Bath and Yeovil having put them out in the previous three seasons. "You could understand people's apathy," Turner says. "When you've been so low for so long you lose credibility with your public."

He has been unable to spend in order to improve on last season's 16th place (their highest in five years), but believes the 2,500 gates would double if

they were to mount a promotion challenge. Hereford could have cashed in by switching the Spurs tie to White Hart Lane; Turner insisted they kept faith with the faithful.

"It's costing us £100,000 profit to be here," he says, pointing to a compact stadium and pitch that was cutting up even before the recent bad weather, "but we're hoping for that romantic underdog's victory. It'd be foolish to say we'll stop the likes of Teddy Sheringham and Chris Armstrong playing. However, if they're slightly off their game, and we raise ours, you never know."

Turner's wife and children now live in a rented house on a

Photograph: David Ashdown

NEW FACES FOR '96: Two young prospects have wasted no time in announcing their arrival

Shaw's freakish pace leaves the rest standing

No breed of player encapsulates the dramatic changes that have taken place in the way the game is played like the modern hooker. Once the preserve of rough-hewn, bad-tempered men with busted noses and no pretensions, the role now attracts swift, incisive players who would have been natural half-backs in another era.

The Walters brothers of Australia are the prototypes, but even with the recent incumbents Martin Dermott and Lee Jackson out of the picture, Britain is well equipped with young hookers who could stand comparison.

Keiron Cunningham of St Helens, who shone briefly for Wales in the World Cup, and Paul Rowley, on the transfer list at Halifax for a mighty £250,000, are two out of that mould; alert and creative to their bootlaces.

But the quickest and most eye-catching is Mick Shaw. He is not yet sure of his place in the Leeds first team every week, but he is several stages ahead of the status quo in his particular art.

RUGBY LEAGUE

Dave Hadfield highlights the Leeds hooker whose talent is redefining the art of attacking play from that position

The first time that Hugh McGahan, Leeds' newly arrived manager, saw him he thought that Shaw was the fastest dummy half in the world - swifter even than Steve Walters, the quicksilver link-man around whom much of Canberra and Australia's success has been built. That freakish pace was a feature of his game at reserve team level last season, with Shaw being named the Alliance Player of the Year as Leeds won the competition.

McGahan and the Leeds coach, Dean Bell, were cautious about throwing him straight into the first team, as many fans excited by his potential were urging. For one thing, they already had a highly effective hooker in James Lowe, a converted half-back whose contribution generally includes 30 or so tackles a match.

For another, their feeling was that Shaw, at just turned 20, still had something to do before other aspects of his game - such as his tackling and distribution - matched his electrifying running with the ball.

So Shaw was introduced gradually, as a substitute to begin with, his eye for a gap proving devastating against tiring defences.

In November, the newcomer achieved the considerable feat of forcing Lowe into the second row while he put together a run of six starts in the No 9 shirt. Since then, he has alternated between the bench and the starting line-up, but there is little doubt that Shaw is a major asset for the future.

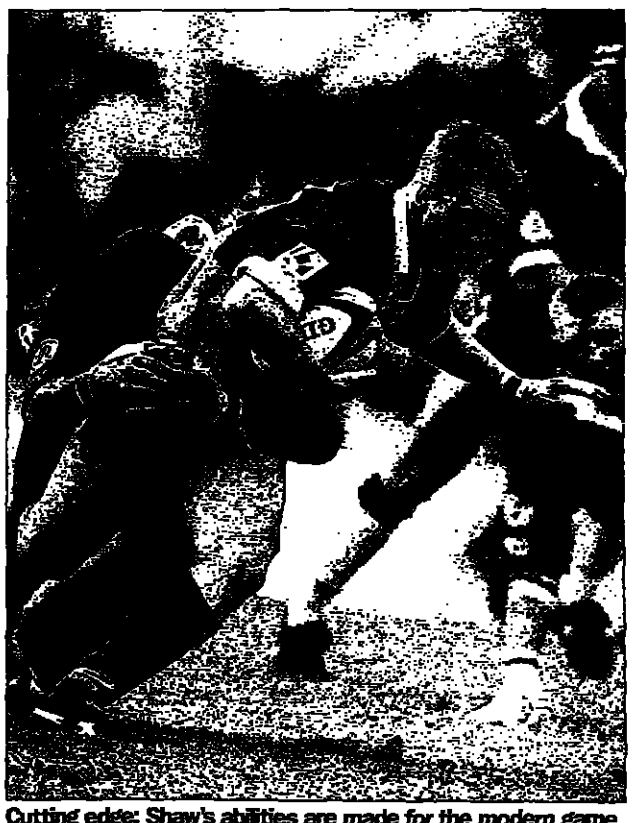
The way the game is now played could be designed

specifically for him. There are too few scrums for his lack of size to be any sort of handicap, and he is perfectly adapted for the acting half-back role that is now the hooker's central function.

The 10 metres that the defence has to retreat at the play-the-ball gives him room in which to work, and referees' insistence on a quick restart of play gives him every opportunity to catch tacklers off balance and out of position with his sudden acceleration.

When he learns, as he surely will, how to make the best use of the half-break he will always make, and when his passing skills mature to give him the full range of options, Shaw will almost inevitably be a match-winner for Leeds as well as a crowd-pleaser.

The old-timers, bred for 40 or 50 scrums a game, would have chewed him up and spat him out contemptuously. But their style of game is extinct; the way it is played now, and, even more so, the way it will be played in the summer, is Mick Shaw's way.



Cutting edge: Shaw's abilities are made for the modern game

Carberry determined to follow in his famous father's footsteps

In the days, 20 or more years ago, when Tommy Carberry was partnering L'Escargot to victory in the Gold Cup and the Grand National, flat racing and its winter counterpart over the jumps rarely had much to do with each other. With carefully mapped out seasons which barely overlapped, the two often met only at the autumn sales, when the Flat handed on its rejects. Owners, trainers and jockeys stuck to what they knew, and the idea that one code might learn from the other was little short of treason.

No longer. High-class Flat horses now regularly graduate to the top flight over hurdles, large scale dual-purpose trainers are everywhere, and jump jockeys, too, are finding that Flat racing has more to offer than a fresh intake of plodders each October. Tony McCoy, the hot favourite to be the champion jockey in his first full season as a professional, spent a vital period as an apprentice Flat jockey at The Curragh, and

it is a similar path which has brought Paul Carberry, Tommy's son, to the brink of stardom in the winter game.

Carberry has been riding in Britain for little more than two months, but already - thanks to an important retainer with Robert Ogden - he has been associated with such long-established trainers as Andy Turnell and Gordon Richards. While his famous surname may have opened a few doors, the modern turf is not noted for its indulgence. Like any of the dozens of young optimists who arrive from Ireland with a saddle each year, he needed a good start.

At Newbury, Carberry announced his arrival by riding a treble, worth almost £15,000 in prize-money, on one of the best early-season cards. Though just 21 (he was a baby when his father won the National), Carberry's performance, in particular on Buckboard Bounce in the day's big chase, had all the polish of a veteran.

RACING
Greg Wood on the young upstart who has made an instant impression

Settled comfortably behind the pace throughout, Carberry overcame an error two from home and sent his mount clear on the run-in for a clear-cut victory. Some ambitious young jockeys might have got carried away and given their horse a harder time than necessary, but Carberry appears to have that essential sympathy with his partners which all the best riders possess. Buckboard Bounce, a rather difficult but very talented animal with the best months of the year ahead of him, hardly knew he had been in a race.

Andy Turnell, whose Squire Silk completed the treble, is a respected talent-spotter and mentor for young riders, and he



Carberry: veteran's feel

was deeply impressed. "I like his style, he's a bit more Flat-racey than some of the others and it shows through," Turnell said. "I prefer that style to the amateur-turned-professional who bumps up and down on the saddle."

"He's certainly one of the young stars, he's very natural at the obstacles and he rides a good finish. He's as good a young rider as there is about now, and of the younger up-and-coming jockeys, he's better than any of them in my opinion."

Some sons of famous fathers would do anything rather than attempt to follow them, but for Carberry there were never any doubts as to where his future lay. "It was always what I wanted," he said. "I started riding when I was three. My first ride on a track was in a point-to-point just after I turned 16, and that won. Then I spent some time on the Flat before going back to jumping with Noel Meade. I had one winner in my first season and four in the second, but then in 1993 I was the champion apprentice."

The jump across the water was still a big one, but his contract with Robert Ogden, arranged via a network of contacts, narrowed the gap appreciably. "The first-day treble was amazing, and the rides have just kept coming since."

Carberry already has a Festival winner to his credit. Rhythm Section in the Bumper (National Hunt Flat race) almost three years ago, and a first success over the jumps at

the sport's finest venue can be only a matter of time. Carberry's only flaw, perhaps, is that, like Adrian Maguire at a similar stage, he is not overjoyed at the prospect of waiting.

"If he's got a fault, he's too ambitious," Turnell said. "He's a very brave young man and perhaps a little over-enthusiastic at the moment, but it'll come with experience."

Some long-standing followers of National Hunt racing will tell you that Paul Carberry's father was the finest rider they have seen. Tommy won the Gold Cup three times, but it was his victory at Aintree in 1975 which will linger longest in the memory.

Carberry was too young to remember it, but given the choice between victory in one of chasing's richest prizes, his choice is immediate. "The National, definitely," he said, in a way which makes finding a bookmaker to offer odds about him winning it one day an essential New Year's resolution.

Super League deny 'doomsday option'

Rugby League
DAVE HADFIELD

Super League executives in Australia have denied that they have plans to introduce a modified game, with 11-a-side and forward passes on the sixth tackle, if they lose their court case with the Australian Rugby League.

The Sydney newspaper, *The Sun-Herald*, which has a good record with its stories on the breakaway organisation, says that the contingency plan is to launch a new code in order to get around a court decision banning the Australian Super League from starting up anywhere in the world this year.

The ARL has already taken steps to block an offshore competition, where Super League clubs would play in New Zealand, Fiji and Papua New Guinea.

The *Sun-Herald* believes that the "doomsday option" would be for a new game entirely.

The other changes would include the abolition of scrums and playing in four quarters with unlimited substitutions. A decision on whether clubs can leave the ARL is expected at the end of the month, with an appeal probably carrying the case into February. The lawyers at Rupert Murdoch's News Corporation, which is financing Super League, must have a fall-back position up their sleeves in the event of the widely predicted legal defeat.

Trevor McEwan, the Super League's spokesman, denied, however, that this was it. He said that the 11-a-side blueprint "bears no relation to reality".

"It's an idea better suited to April Fool's Day," he added. "The rules of the game as outlined border on the farcical."

Farcical or not, the idea that Super League in Australia could be forced into major structural changes has worrying implications for the game here.

Part of the Super League philosophy is that the competitions on both sides of the world should be played to identical rules, although the game in Britain could hardly be expected to go along with anything as radical as these suggestions.

Barrow have said that they will lose their Craven Park ground unless they attract 2,500 members to their new lottery by next week.

Another Barrow, the Swinton coach, Tony Barrow, is stepping up to become chief executive. The club is now looking for a candidate to take over his coaching duties.

St Helens will have three of their injured first-teamers, Joey Hayes, Keiron Cunningham and Chris Joynt, fit for the postponed Regal Trophy semi-final against Warrington tomorrow. Paul Newlove and Anthony Sullivan, though, are regarded as very unlikely to play.

Warrington hope to have Iestyn Harris and Paul Sculthorpe available, but their Australian forward, Dave King, is likely to be missing for three months after damaging his hand against Wigan on New Year's Day.

The former Wakefield Trinity forward, David Woods, has been found dead in his car at Burleigh Heads in Australia. Police say there were no suspicious circumstances connected with his death at the age of 29.

Fordham flies through

Darts

Andy Fordham, the 20-stone Londoner who plays all in black because he says "it makes me look slim", made a promising start at the Embassy World Professional championship at the Lakeside Country Club, Frimley Green, yesterday.

Fordham, the second seed

who was a semi-finalist in this event last year, beat Chris Mason, the 26-year-old Bristol player, 3-0, winning each set by three legs to one in their first-round contest.

Andy Jenkins, a Hampshire bricklayer who beat Bruno Raes of Belgium 3-0, will meet Fordham, his close friend, in the second round tonight.

Results, *Sporting Digest*, page 21

